

# Annual Report 2021-22



Small Business  
Development Corporation

Cover Photo: The Foodie Files

The Small Business Development Corporation acknowledges the traditional custodians of the land on which we work and live. We pay our respects to Elders past, present and emerging.

This work is copyright. With the exception of any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without written permission from the Small Business Development Corporation. Requests and enquiries concerning reproduction and rights should be addressed to the Chief Executive Officer, Small Business Development Corporation, GPO Box C111, Perth WA 6001.

This report is available in alternative formats on request.

ISSN 1447-8374

Photo: AVL Electrical




# Contents

Statement of compliance for the year ended 30 June 2022	4
<b>Overview of agency</b>	<b>4</b>
Operational structure	6
Organisational structure	8
Key small business numbers	11
Chair's report	13
Chief Executive Officer's report	14
Outcome-based management framework	16
<b>Agency performance</b>	<b>19</b>
Financial targets	19
Activity reports	20
Corporate governance	55

<b>Disclosures and legal compliance</b>	<b>64</b>
Independent auditor's opinion	64
Certificate of key performance indicators	68
Key performance indicators	69
Certification of financial statements for the reporting period ended 30 June 2022	75
Financial statements	76
Other legal requirements	108

**The Small Business Development Corporation acknowledges and thanks the following WA small businesses whose stories and photographs appear in this annual report:**

AVL Electrical  
 Beck & Call Coffee  
 Bindoon Bakehaus  
 Body Wellness and Beauty  
 Cafe Elixir  
 Concept Tech  
 D&C Autoglass  
 D'Guy Tours  
 Diversity Focus  
 The Foodie Files  
 Geraldton Rubber & Conveyor  
 JLK Artistry  
 Juliette Scott Photography  
 Landi Bradshaw Photography  
 Mette is Baking  
 Northern Valleys Locavore Store  
 P-mac Shapes and Fish on Fish Skins  
 Skeetas  
 Toast My Curry  
 Torbay Pottery  
 Towards the Dreaming Funeral Services  
 Urban Revolution Eco & Garden Store  
 XS Energy Pilates



## Statement of compliance for the year ended 30 June 2022

### Hon Don Punch MLA

Minister for Small Business

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the annual report of the Small Business Development Corporation for the reporting period ended 30 June 2022. The annual report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



**Grant Cucel**  
Chair



“My experience with the SBDC was excellent. I recently did the Business Planning workshop online, I’ve done a few planning workshops over the years, and I found this one very practical and personalised. **The information was easy to understand and the facilitator provided lots of examples that were relevant for my new business.** In my case, I was also able to back up the session with a follow-up phone call to get some specific information. Such good value for money, possibly the best \$20 I have spent all year.”

**Megan S**

Google Review, May 2022

# Operational structure

## About the SBDC

**The Small Business Development Corporation (SBDC) is an independent statutory authority of the Government of Western Australia, established in 1984 under the *Small Business Development Corporation Act 1983 (SBDC Act)*.**

### What we do

The primary role of the SBDC is to encourage, promote, facilitate and assist the establishment, growth and development of small business in Western Australia. This is achieved by providing practical advice, information, and guidance to small business owners. The SBDC also offers a dispute resolution service, delivers skills development workshops for existing and aspiring small business operators and investigates unfair practices that impact small business. Since the onset of the COVID-19 pandemic the SBDC has administered several grant programs designed to provide financial assistance to small businesses impacted by disruption.

The SBDC works directly with small business owners and liaises with industry and business associations to exchange information and provide support and assistance to their members. The Corporation also provides advice and support to the Minister for Small Business on matters affecting the sector, including the effect of government policy and legislation

on small business, and advocates to all levels of government for policies and regulations that support the establishment and growth of small businesses.

Through these and other avenues, the SBDC raises awareness of the importance of small business to the economy and advocates for policies that nurture the growth and diversity of the sector.

### Responsible Minister

As at 30 June 2022, the Hon Don Punch MLA, Minister for Small Business, has responsibility for the SBDC, and appoints representatives from the small business community to the Corporation's Board. The Hon Reece Whitby MLA held the Small Business portfolio from 19 March to 17 December 2021.

### Enabling legislation

*The Small Business Development Corporation Act 1983* makes provision for the establishment of the SBDC and Small Business Commissioner to encourage, promote, facilitate and assist the establishment, development and carrying on of small business in the state and provide dispute resolution services, and for incidental and other purposes.

The SBDC is always evolving to meet the current operating environment. In 2021-22 the Corporation



**Hon Don Punch MLA**

Minister for Small Business

tested the powers introduced by the 2020 and 2022 amendment Acts to give the Small Business Commissioner additional authority to investigate complaints about any matter that affects the commercial activities of small business and deliver financial assistance, grants and operational funding in relation to small businesses.

### Our vision

A strong and enterprising small business sector in WA.

### Our mission

To facilitate relevant, practical support to small businesses and advocate on their behalf.

### Our values

**Enterprise** – we value a solution-focused and inventive culture.

**Collaboration** – we actively work with others to achieve shared goals.

**Integrity** – we act with courage, honesty and respect.

## Our strategic objectives

In accordance with our strategic plan, the SBDC strives to:

- offer targeted, contemporary and practical services across WA
- evolve our business model to be agile and future-focused
- build strategic alliances and partnerships
- advocate for small business
- contribute to the growth and diversity of the WA economy.

## What is small business?

The SBDC Act defines a small business as a business undertaking that is wholly owned and operated by an individual person, persons in partnership, or by a proprietary company within the meaning of the *Corporations Act 2001 (Cth)* and which:

1. has a relatively small share of the market in which it operates
2. is managed personally by the owner or owners or directors, as the case requires
3. is not a subsidiary of, or does not form part of, a larger business or enterprise.

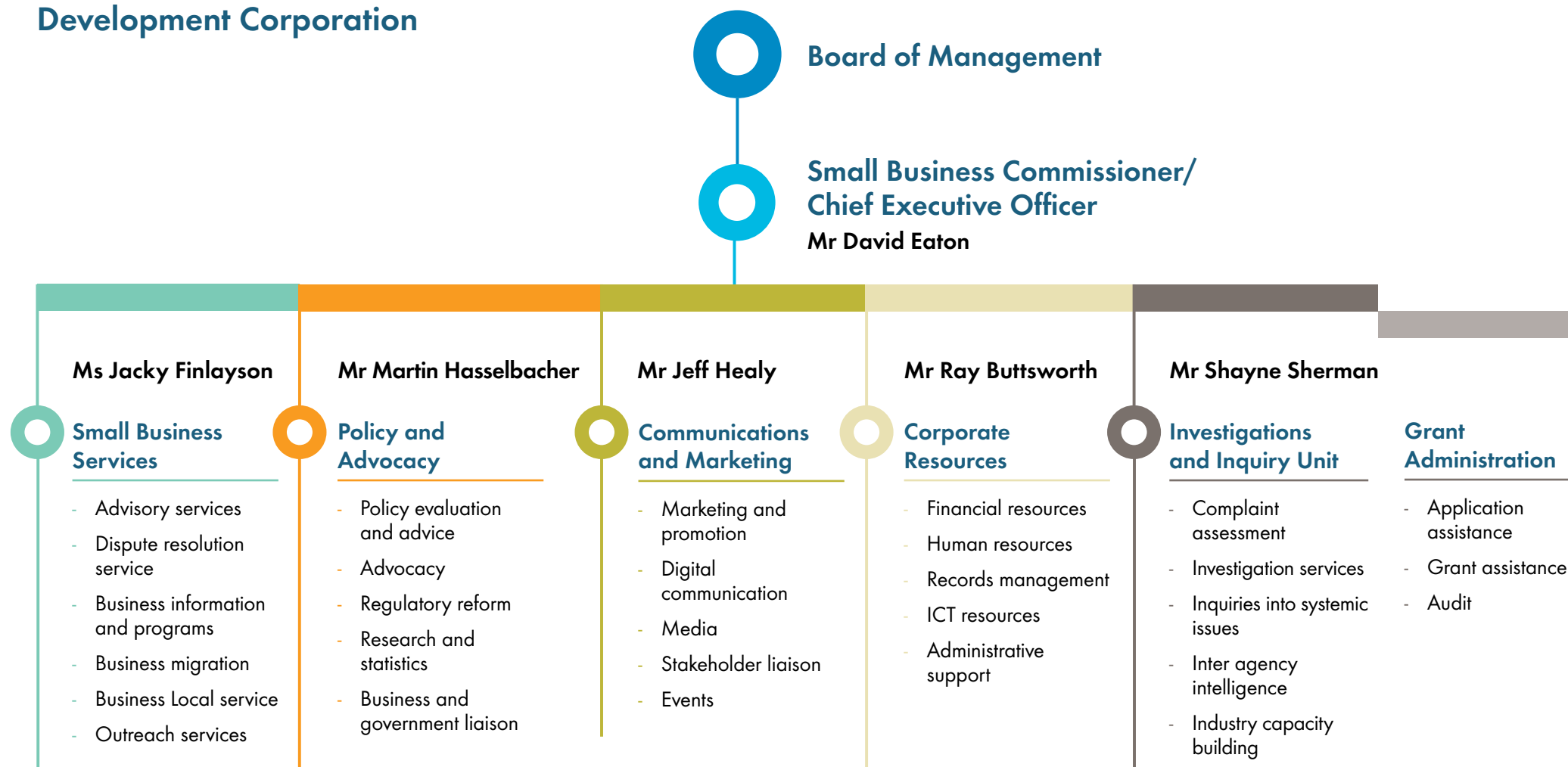
The SBDC uses the standard Australian Bureau of Statistics (ABS) definition of small business, which is any non-employing business or a business employing fewer than 20 staff.

*Photo: Diversity Focus*



# Organisational structure

## Small Business Development Corporation



# Operational structure

## SBDC Board

The SBDC is governed by an independent Board, drawn from the private sector under the auspices of the SBDC Act.

### Membership as at 30 June 2022

Grant Cucel (Chair)  
 Eliza Carbines  
 Danelle Cross  
 Cindy Hurst  
 Anthony Masi  
 Gillian Nathan  
 Michael Schaper  
 David Eaton (ex-officio)

## Small Business Commissioner

David Eaton is the WA Small Business Commissioner and Chief Executive Officer of the SBDC. This dual role, is responsible for the day-to-day operation of the SBDC. The Small Business Commissioner, whose authority was expanded with the passing of the Small Business Development Corporation Amendment Act 2020 in April 2020, also undertakes inquiries and investigations into poor practices that impact upon small businesses.

The Commissioner provides advice to the Minister for Small Business and all tiers of Government, to improve the business operating environment and support the establishment and growth of small businesses in Western Australia.

## Small Business Services

### Advisory services

The SBDC's core service is the delivery of free information and guidance to small business operators to aid the development and growth of the sector in WA. These services are provided by phone on the SBDC's 133 140 number, online through live chat, via email, in person and via video appointments.

### Business and market information

Accurate information allows small businesses to make informed decisions. The SBDC facilitates access to business information, including an online Business Licence Finder, industry and market data and financial benchmarking reports to help small business clients plan and evolve their businesses.

### Business workshops

Keeping business skills up-to-date is essential in today's dynamic operating environment. The SBDC delivers a range of practical and affordable in person and online workshops, on a variety of topics, to small business owners.

## Business Local

The Business Local program provides a network of local business advisers throughout WA, to help regional business owners with their business challenges and opportunities.

### Outreach services

Outreach extends the SBDC's services through collaboration with other organisations, including industry associations, educational institutions and corrective services, to cost-effectively engage with diverse stakeholders and small business owners.

### Dispute resolution service

The dispute resolution service is an affordable, confidential and flexible service to assist small businesses to resolve a dispute with another business or government department.

### Business migration

The WA Business Migration program is a key investment attraction initiative for the state. Business migrants are a source of new capital for business and investment activities that deliver new employment and economic diversification for WA.

## Policy and Advocacy

The SBDC ensures that the small business voice is heard and considered by governments at all levels, through evidence-based advocacy, submissions, representation and liaison. The agency influences policy development that affects small business, particularly in relation to regulatory reform and improving the operating environment for small businesses.

## Communications and Marketing

The SBDC's Communications and Marketing team promotes the SBDC brand and ensures information about the agency's range of services and resources for small business is available to the public through channels including the website, social media platforms, earned content, advertising and events.

## Corporate Resources

The Corporate Resources function of the SBDC ensures that the financial, human and technological resources of the SBDC are carefully managed to enable high quality delivery of the agency's services.

## Investigations and Inquiry

A specialist unit within the SBDC that supports the Small Business Commissioner by investigating poor practices including delayed payments and breaches of contract experienced by subcontractors and other small businesses in relation to larger organisations or government entities.

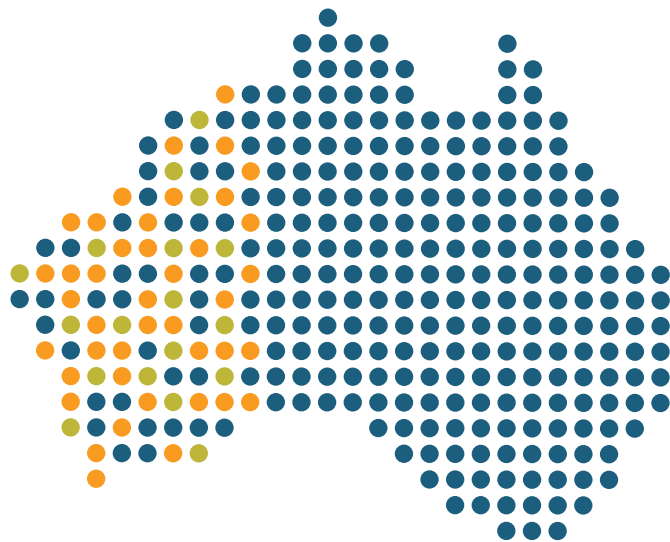
## Grant Administration

Throughout 2021-22, the SBDC administered a number of COVID-19 response grants on behalf of the State Government. A temporary, specialist team was created to enable efficient delivery of grants to WA businesses requiring financial assistance due to the impact of the pandemic and public health and safety measures.

*Photo: Juliette Scott Photography*

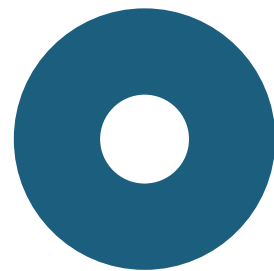


## Key small business numbers<sup>1</sup>



<sup>1</sup>Australian Bureau of Statistics (June 2021) 8165.0 Counts of Australian Businesses, including Entries and Exits, June 2017 to June 2021, (time series spreadsheet), accessed 1 July 2022.

Statistics include only those businesses actively remitting Goods and Services Tax (GST). As such, small businesses not registered for GST are not captured in this data.



**61.1%**  
are non-employed



**223,524**  
small businesses in WA  
(including non-employed businesses)

**140,545**  
non-employed  
businesses in WA

**2,341,840**  
small businesses in Australia



**36.1%**  
are small (1-19 staff)



**2.6%**  
are medium



**0.2%**  
are large

## WA small businesses by industry

A small business is any non-employed business or a business employing fewer than 20 staff.



<sup>2</sup>The reported percentage of small businesses in the Financial and Insurance Services industry has reduced from 10% in 2020-21, due to the removal of self-managed super funds (ANZSIC class 6330) from the ABS Counts of Australian Businesses, including Entries and Exits scope. This change is in alignment with international guidelines and creates a more accurate representation of actively trading businesses in the Australian economy.

“A WEALTH of knowledge! The best place to go to for business assistance, no matter what stage you’re in. I have used spreadsheets, gained a ton of knowledge, taken part in workshops. All of it has been excellent and helped build my confidence in my business journey.”

Catherine H

Google Review, March 2022

## Executive summary



**Grant Cucel**

Chair, Small Business Development  
Corporation Board

### Chair's report

**On behalf of the SBDC Board, I proudly  
present this year's annual report.**

In 2021-22, as Western Australia reopened to the rest of the nation and the world following two years of COVID-19 global impact, the SBDC focused on supporting small businesses through their challenges and opportunities, with the goal of helping them start well, survive and thrive.

The Corporation continued to make a difference through its core areas of Small Business Services, Policy and Advocacy, Communications and

Marketing, and Investigations and Inquiry, while also providing essential information, advice and support to help businesses navigate COVID-19 settings and pandemic-related impacts.

While small businesses continued to face their usual challenges such as understanding their finances; continuing to build digital skills; developing their markets and dealing with disputes; it is undeniable that the pandemic still loomed large in their consciousness. The disruption also affected the way many businesses operated in their daily work. A large amount of the SBDC's effort went to helping them adjust and cope, including by communicating public health and social measures introduced to manage the spread of COVID-19 in the community, from the perspective of what small business impacts and responsibilities would be.

Following the introduction of public health and social settings to manage the spread of COVID-19 in the community, the WA Government entrusted the SBDC to administer and deliver a significant package of COVID-19 Business Assistance Grants, providing direct financial assistance to impacted businesses. The agency rose to the challenge, creating a dedicated Grants Administration Team backed by the entire organisation, a team that grew to nearly 49 FTE staff and had paid out \$50 Million in assistance by 30 June. *The Small Business Development Corporation Amendment (COVID-19 Response) Act 2022* was enacted in March 2022, giving the SBDC the authority to deliver financial

assistance, grants and operational funding in relation to small businesses.

While the administration of the grant programs was a major body of work, the SBDC made other notable achievements throughout the year. A refreshed website, launched in October 2021, helped deliver information and resources digitally to an audience that has embraced online delivery over the past two years. The Small Business Friendly Local Governments Initiative celebrated its fifth anniversary, and a successful regional marketing campaign raised awareness of the SBDC's Business Local network of advisers around the state.

As I endorse the first annual report of my tenure as Chair of the SBDC, I'd like to acknowledge the dedicated work of outgoing chair Steve Dobson who has steered the organisation for a decade. I also want to give my thanks to the Small Business Commissioner, David Eaton, the leadership team and all staff of the SBDC. They have maintained a tireless commitment to delivering support for, and representing the interests of, the entire small business community, throughout challenging times.

**Grant Cucel**

Chair  
Small Business Development  
Corporation Board

## Executive summary

### Chief Executive Officer's report



**David Eaton**

Small Business Commissioner  
Chief Executive Officer  
Small Business Development  
Corporation

In my dual role as Small Business Commissioner and CEO of the SBDC, I am acutely aware of the need to continue to evolve our services and delivery channels to meet the needs of Western Australian small business operators – when and where they need it.

The events of 2021-22 required us to continue to adjust our services and information to help manage the impact of the evolving COVID-19 environment on our small business clients.

As the business environment became more complex and communications more cluttered; the ability to provide critical business information to small businesses, distilled into the essentials they need to act upon, in an easily-consumed format, has reinforced the value of the SBDC as a trusted source of knowledge and guidance.

For our Government partners, we elevated the provision of critical evidence to inform their policy, legislative and program responses in a rapidly evolving environment.

In the past year, the business community has felt the ongoing effects of the COVID-19 pandemic through its impact on global and local supply chains, as well as labour and skills shortages. While small businesses are incredibly resilient, it has become

more important than ever to monitor and maintain their mental health, as well as the health of their business.

Like the businesses we serve, the team at the SBDC focused on being nimble, agile and responsive to our customers, stakeholders and the operating environment.

I'd like to acknowledge and thank the Minister for Small Business and the Board for their support throughout the past year. I also want to express my gratitude to the leadership team and staff of the SBDC, for their perseverance, passion and commitment.

As we look forwards to 2022-23, I am optimistic that WA is better positioned than most to take advantage of opportunities as global constraints moderate – enabling our local businesses to deliver diversity and growth to our economy.

**David Eaton**

Small Business Commissioner  
Chief Executive Officer  
Small Business Development Corporation

# Year in review 2021-2022

**97%**

of clients satisfied  
with their overall  
experience

**94%**

likely to use the  
service again

**80%**

information and  
advice was of  
benefit to their  
business

**92%**

information and  
advice was useful

**95%**

accessing the  
service was easy

Telephone surveys were undertaken with a random selection of clients who had directly sought information and guidance during 2021-22. 733 client surveys were completed, giving a maximum standard error ratio of +/- 3.5% at the 95% confidence level.

The overall response rate for the survey was 92.1%.



**1,130,000**  
website views



**56,000**  
SBDC services delivered



**22,000+**  
workshop and information  
session participants



**1,800+**  
commercial tenancy  
enquiries received



**516**  
workshop and information  
sessions presented



**46**  
organisations partnered  
with through Outreach



**\$230m+**  
injected into the WA  
economy by business migrants



**\$50m+**  
value of grants paid



**6,900+**  
small businesses  
assisted through grants

## Outcome-based management framework

**Government goal: Future jobs and skills – grow and diversify the economy, create jobs and support skills development.**

Desired outcome	Effectiveness indicator	Services	Efficiency indicators
A strong and enterprising small business sector that contributes to the State's economy through job creation and business investment.	<ul style="list-style-type: none"> <li>The extent to which the information or guidance provided was useful.</li> <li>The extent to which the information or guidance provided contributed to a decision to start or buy a business.</li> <li>Total value of capital inflow to the State from the Business Migration program.</li> <li>Number of jobs created through the Business Migration program.</li> </ul>	Information, guidance, referral and business development services.	<ul style="list-style-type: none"> <li>Cost per client serviced directly by the agency.</li> <li>Cost per client serviced through third-party delivery.</li> <li>Cost of policy development, advice and reform projects as a percentage of the total cost of service.</li> </ul>
		Access to justice for small business.	<ul style="list-style-type: none"> <li>Cost per client serviced directly in the provision of dispute resolution.</li> <li>Cost of subcontractor support services as a percentage of the total cost of service.</li> </ul>

There were no changes to the Outcome-based management framework during the reporting period.



## Shared responsibility with other agencies

The SBDC worked collaboratively with a range of agencies to deliver services and programs that impacted small business, including:

- The Department of Primary Industries and Regional Development (DPIRD) (Agriculture and Food) to deliver the farm debt mediation service and liaise with Local Content Officers.
- The Department of Mines, Industry Regulation and Safety (DMIRS) on the review of the *Commercial Tenancy (Retail Shops) Agreements Act*.
- The Department of Local Government, Sport and Cultural Industries (DLGSC) and the Department of Treasury to deliver a range of COVID-19 response grants.
- The Department of Fire and Emergency Services (DFES) to deliver the Cyclone Seroja Recovery Grant\* and recovery efforts in the region.
- The Department of Premier and Cabinet (DPC) and the Department of Health on the development of COVID-19 related communications.

\* The Disaster Recovery Funding Arrangements WA - Small Business Recovery Grant is jointly funded through the Commonwealth-State Disaster Recovery Funding Arrangements.

## Collaboration with strategic partners

To expand the reach and general awareness of the SBDC's services, it is essential to leverage relationships with strategic partners. The agency collaborated with partners, including the following organisations, to reach small business owners with essential information and support:

- John Curtin Law Clinic at Curtin University, to refer small business owners for pro bono legal advice and services from final year law students.
- The City of Cockburn, Money Mentors Mandurah, National Debt Helpline, Small Business Debt –helpline and Rural West for small business financial counselling.
- Fifty-one local government authorities who are signatories to the SBDC's Small Business Friendly Local Governments initiative, to disseminate essential information to their small business communities.
- The Regional Chambers of Commerce and Industry WA, to ensure regional small businesses were provided with updates and information from the SBDC.

- The SBDC's network of Business Local providers, providing advisory and business skills development on behalf of the SBDC throughout regional Western Australia.
- A wide range of industry organisations and representatives.



Photo: Towards the Dreaming Funeral Services

# Case Study

## Scrapbook House Mid West

Melissa Raffan's personal passion for her hobby and a desire to do something different led to an unexpected career trajectory when she became the owner of Scrapbook House in Geraldton.

"I've been scrapbooking since I was 15 so it's a hobby that's turned into my dream job," Melissa said.

"The previous owner literally made a joke that I should buy the business. That was in May 2021 and by November I had taken over the shop."

With no previous experience in owning a business, Melissa, a former events and marketing professional, turned to RSM Business Local, for advice. RSM Business Local, based in the Mid West, is part of the SBDC's network of local business advisers throughout regional WA.

"I've always wanted to have my own store, but I never thought it was possible. It's COVID, I've never run my own business, I thought - what chance have I got?" she said.

Melissa found the free advice and support she received from Business Local integral to her success, giving her the confidence to expand the business beyond being a scrapbooking supplier, to include a range of workshops and events. She received guidance to develop a point of sale system for an online store and built her skills in social media, marketing, Canva and video promotion to help promote her new business.

"The service was really beneficial in the early conversations. They helped me become aware of questions I should ask and things I needed to know before making the purchase and have continued to help me along the way."

*"It's a fantastic resource for any business owner."*



Photo: Melissa Raffan, Scrapbook House

## Agency Performance

### Financial Targets

	2021-22 Target \$'000 <sup>1</sup>	2021-22 Actual \$'000	Variation \$'000	Explanation of significant variations <sup>2</sup>
<b>Total cost of services (expense limit)</b> (sourced from Statement of Comprehensive Income)	17,802	16,727	1,075	The variance is due mainly to lower than expected expenditure for programs including Grant Administration, the Small Business Friendly Approvals Program and the Business Local Service.
<b>Net cost of services</b> (sourced from Statement of Comprehensive Income)	17,480	16,500	980	In addition to the variation in Total Cost of Services the agency received lower than expected income from Business Migration fees.
<b>Total equity</b> (sourced from Statement of Financial Position)	4,185	5,808	1,623	The increase in total equity is due primarily to a higher than expected surplus for the period.
<b>Net increase/ (decrease) in cash held</b> (sourced from Statement of Cash Flows)	(561)	1,385	1,946	The increase is largely due to under expense in Grants Administration, the Small Business Friendly Approvals Program and the Business Local Service.
<b>Approved full-time equivalent (FTE) staff level</b>	64	60	4	The variance is due mainly to the use of temporary agency personnel rather than salaried staff for the grants program assessment services.

<sup>1</sup> As specified in the 2021-22 Budget Statements (Budget Paper No 2 Volume 1) pages 260-267.

<sup>2</sup> Further explanations are contained in Note 9 "Explanatory Statement to the financial statements".

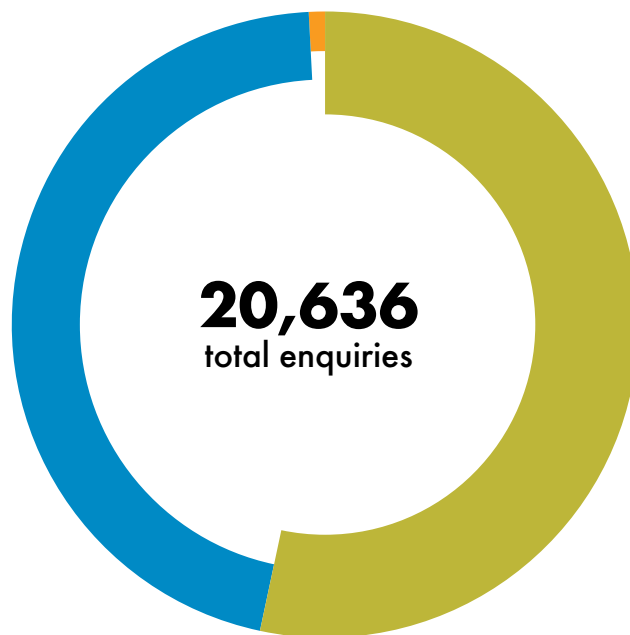
# Agency Performance

## Activity Reports

### Small Business Services

#### Advisory services

The SBDC's core service is the delivery of free information and guidance to small business operators to aid the development and growth of the sector in WA. These services are provided by phone on the SBDC's 133 140 number, online through live chat and via email. In addition, individual advisory sessions were conducted in person and virtually throughout 2021-22. The SBDC's advice to small business owners is confidential, and delivered by advisers who are experienced in small business.



#### 2021-22 Advisory enquiries

**53%**

11,069 new clients

**46%**

9,522 existing clients

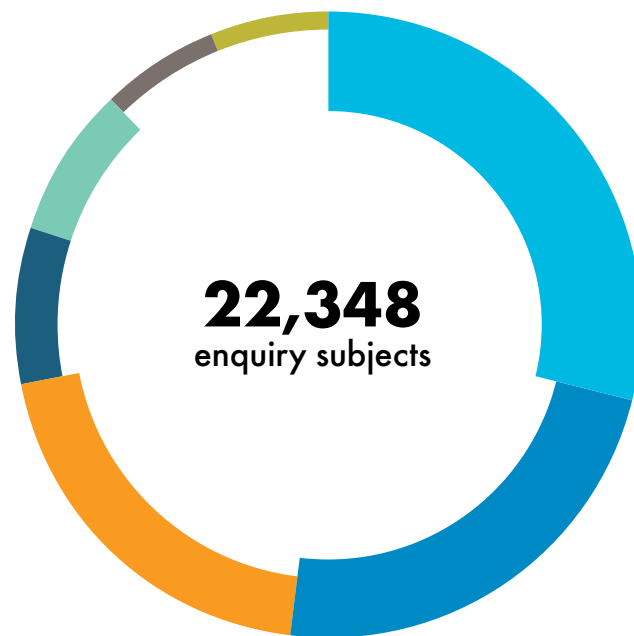
**1%**

141 anonymous clients



## Activity Reports

### What clients sought information about



Assistance is provided on topics including start-up strategies, business growth plans, business resilience guidance, managing disputes and business exits. In 2021-22, nearly 30 per cent of enquirers sought information on Government grants developed to assist small businesses impacted by the COVID-19 pandemic.

**29%**  
6,516 Grants

**23%**  
5,107  
Financial mgmt

**20%**  
4,513 Other topics

**8%**  
1,851 Commercial Tenancy

A lease for business premises is vital to many small businesses and is frequently central to the goodwill, value and future sale of the business. It is also an important financial decision: in addition to the initial capital investment, ongoing occupancy costs such as rent are significant business overheads.

The SBDC provides information and guidance to tenants and landlords on the *Commercial Tenancy (Retail Shops) Agreements Act 1985* (CT Act) and other aspects of commercial leasing, with the assistance of experienced commercial tenancy advisers.

**8%**  
1,743  
Planning and research

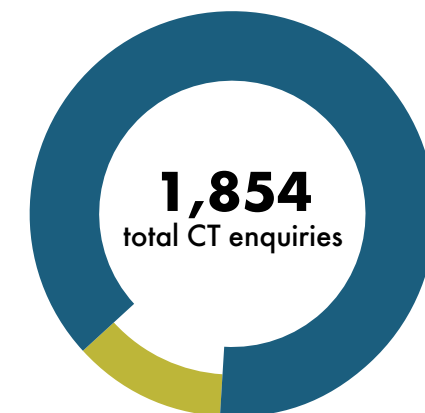
**6%**  
1,369  
Licencing and regulation

**6%**  
1,246 start up

### Commercial Tenancy (CT)

The SBDC was consulted by the Department of Mines, Industry Regulation and Safety (DMIRS), the administrators of the CT Act, to provide advice and marketplace information on matters including a statutory review of the legislation.

The agency provides specialised advice and support on CT issues and disputes.



**220 (12%)**  
CT dispute-related enquiries

## Case Study

### Geraldton Rubber and Conveyor Mid West



Photo: Maggie Jacobs, Geraldton Rubber & Conveyor

Nearly 10 years into their business, Maggie and Bryan Jacobs realised they were missing opportunities to expand their trade.

When they were nominated for a business award, the operators of Geraldton Rubber & Conveyor approached RSM Business Local in Geraldton for help – and quickly realised they could uncover much more potential in their operations.

“We joined an information session and just got some mentoring and help with our business award submission, and then realised there was so much more that RSM Business Local could do for us,” Maggie said.

“We never realised where the shortcomings and shortfalls in our business were until we sat down and spoke to David at Business Local. We realised we weren’t utilising certain opportunities that were coming our way and he guided us on how to do it better.”

RSM Business Local in the Mid West is part of the SBDC’s network of local business advisers

throughout regional WA. Advice from the organisation, particularly in Xero, social media and understanding business financials, had been integral to the Jacobs’ plans to further develop their family business.

“For us, it’s always been about building the business, working hard and keeping our customers happy – and not thinking about the bigger picture, which is what RSM Business Local has really helped us with,” Maggie said.

The South African immigrants are now firmly embedded in the Geraldton community and have opened a second premises specialising in polyurea coatings, as a part of their business expansion.

“I can ask the Business Local team anything,” Maggie said.

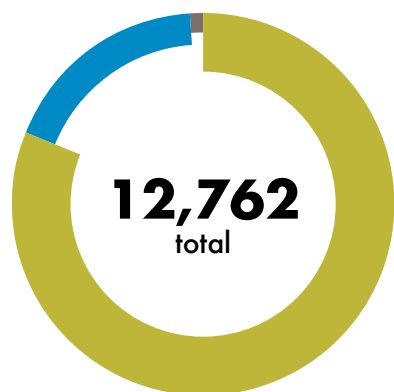
“They just have a way of thinking business and helping you to understand where you should be focusing more, and how you can grow the business if you do things differently.”

## Activity Reports

### Business and market information

Accurate information allows small businesses to make informed decisions. The SBDC facilitates access to business information, including an online Business Licence Finder, industry and market data and financial benchmarking reports to help small business clients plan and evolve their businesses.

The online Business Licence Finder enables individuals to search, discover and inform themselves about their business compliance obligations across all levels of government. Access to IBISWorld market research reports and Australian financial industry benchmarks enables business clients to build detailed insights to help them understand their performance, learn more about their industry, customers and competitors, and uncover new opportunities.



**10,375**

Business Licence Finder

**2,271**

IBISWorld reports

**116**

Australian benchmarks

Photo: D&C Autoglass



# Activity Reports

## Business workshops

Practical workshops ensure effective service delivery of enterprise skills building to small businesses throughout WA. The SBDC's comprehensive business workshop program delivers practical information to businesses in the early stages of development, and offers more specialised or advanced topics for established business operators.

SBDC workshops focus on the development of practical business skills in areas such as digital and financial literacy, contracting and procurement, strategic planning and risk management, innovation, and business management. Small business owners with strong enterprise and entrepreneurial attributes are more likely to contribute to job creation and productivity growth. By providing access to quality, supportive and affordable workshops, the SBDC continues to build the skills of WA's small business community.

Three hundred and fifty-three free and low cost workshops to develop business skills across a range of topics were delivered in person and via online channels throughout the year, reaching a total of 4,336 participants.



## Business local

The Business Local program provides a network of local business advisers delivering business advisory services and workshops in regional areas on behalf of the SBDC. Managed by six providers across 10 designated regions, services are delivered in a way that best suits the needs of local small business communities.

### Business Local services 2021-22

	Total
Hours of one-to-one advisory sessions delivered	10,172
Hours of advice delivered through workshops	4,009
Small businesses accessing the service for the first time	3,113

In early 2022, a regional advertising campaign promoted the Business Local network throughout regional WA. The case studies featured in this annual report are from regional Western Australian businesses that accessed business advice and support through the Business Local network.



## Case Study

### Beck & Call Coffee Great Southern

When Kade Sims, the owner of niche coffee roasting enterprise, Beck & Call Coffee, sought to expand his Albany business, he knew he needed to call on some external expertise.

"My strength is counting coffee beans not numbers, so when we decided to apply for an economic development grant, the first place we went was to the Albany Business Centre," Kade said.

Albany Business Centre is part of the SBDC's Business Local network of advisers throughout regional WA. The Business Local network offers free business advice and skills building throughout the state.

With help from Albany Business Centre advisers, Kade was able to win a competitive business grant to help the start-up move out of the Centre's business incubator and ultimately expand. Beck & Call Coffee now offers a multitude of coffee bean options, including single origin series, a range of blends and barista training courses for those wanting to fine-tune the art of coffee-making.

"We were successful with the grant and now we have funding that enables us to move into our own premises and build a purpose-built roasting facility," Kade said.

"We're looking forward to that transition and taking the next step for our business."

As a growing business, having ongoing access to going free advice and support brings peace of mind.

Since starting in 2014, Kade says "I haven't contacted Business Local every week or every month even, but just knowing they're here when we need support and advice is reassuring," said Kade.

"Having local experts support small business in Albany is such a gift for businesses here."



Photo: Kade Sims, Beck & Call Coffee

## Activity Reports

### Outreach services

Outreach extends the SBDC's services through collaboration with other organisations, including industry associations, educational institutions and across all tiers of government, to engage with diverse stakeholders and extend the SBDC's reach to small business owners who may not previously have been aware of the services offered by the Corporation.

Supporting people who are actively considering starting a business is a major focus of Outreach. The program provides quality information and advice to assist the development of businesses, leading to a stronger and more sustainable small business sector.

Outreach	Total
Organisations collaborated with	46
Workshop/events presented	135
Participants	18,313

## In 2021-22, the Outreach team worked with diverse audiences including:

### NEIS groups

The New Enterprise Incentive Scheme (NEIS) is a program delivered as part of the Federal Government's jobactive employment service that supports individuals to commence their own business. Participants access accredited small business training, mentoring and support, as well as income support and rental assistance if eligible. NEIS participants are all currently on JobSeeker payments and are actively working towards the establishment of their own business. The SBDC's broad range of small business services provide complementary support to the skills they develop through the NEIS program.

Outreach worked with the three metropolitan based NEIS providers to deliver presentations informing program participants about the SBDC's services. Throughout the year, 277 NEIS participants participated in 27 presentations. Delivered both in-person and via online channels, the information sessions gave participants an understanding of the range of SBDC services available to support their business journey.

This engagement results in this cohort contacting the SBDC for advisory services, skills development workshops, and IBISWorld reports. Many NEIS participants also join the SBDC's Facebook group "I'm a small business owner in Western Australia" where they can seek support from and network with peers.

### Prisons

The SBDC continued to work with the Department of Justice to deliver our workshops Starting a Business, How to Write a Business Plan, Understanding Business Finances and Marketing Your Business, to prisoners within WA Corrective Services system. This year, workshops were delivered at Casuarina Prison, Bandyup Women's Prison, Boronia Pre-release Centre for Women and Wooroloo and Karnet Prison Farms.

The SBDC also participated in a number of employment transition expos at the prisons, to highlight the range of services offered to offenders on their release.

Self-employment and small business can be a good option for people transitioning out of the corrective system given their sometimes-limited employment options. This engagement within prisons has been embraced by the Department of Justice employment and education teams and by the prisoners themselves.



## Activity Reports

### Dispute resolution service

The dispute resolution service (DRS) is an affordable, confidential and flexible service to assist small businesses to resolve a dispute with another business or government department through intensive case management and potentially, mediation. The SBDC also facilitates farm debt mediations in partnership with the Rural Business Development Corporation, funded by the Department of Primary Industries and Regional Development.

Participation in DRS is voluntary and provides parties with an opportunity to pursue negotiated solutions in a confidential environment. This may assist in avoiding the time and expense associated with legal proceedings. Parties are able to maintain control of their dispute while also considering options for resolution that may be more suitable to their circumstances, when compared to traditional litigation.

As part of the service, DRS case managers provide independent and objective guidance to both parties in dispute through a case management process. Parties are assisted to identify the relevant issues in dispute, clarify their individual rights and responsibilities and consider possible pathways to resolution. Commercial tenancy disputes involving landlords or tenants seeking to enforce rights or obligations under the *Commercial Tenancy (Retail Shops) Agreements Act 1985* (CT Act) may first attempt resolution of their dispute through the DRS.

Disputes referred in 2021-22 had an estimated value of \$19.7 million (based on client estimations).

If parties are unable to finalise their dispute with the assistance of case management, the SBDC also provides access to a subsidised mediation service through which parties benefit from the assistance of a professionally accredited mediator for a subsidised fee of \$125. Case managers work with the parties to ensure they are fully prepared for mediation and to maximise the potential for settlement.

If resolution to a commercial tenancy dispute cannot be achieved through case management or mediation, the Small Business Commissioner may provide a party with a certificate to enable them to apply to the State Administrative Tribunal (SAT) to have the dispute formally determined. The value of disputes successfully resolved through the SBDC mediation process this year was conservatively estimated at \$1.87 million.

Disputes referred to DRS	432
Number of disputes finalised*	521
Mediations held	9
SAT certificates issued	42

\* Cases are referred to as 'finalised' when they have been closed. They may be finalised for a number of reasons, including the dispute being resolved, one or more parties no longer wanting to proceed, or the matter being taken to court.

Farmers or pastoralists and their financial institution can also meet to resolve commercial debt disputes through the DRS, via the Farm Debt Mediation Scheme (FDMS). FDMS is a partnership between the SBDC and the Rural Business Development Corporation, funded by the Department of Primary Industries and Regional Development.

Farm debt mediations held	7
Value of agreement at farm debt mediation	\$20,350,000





Photo: Vicki Read, Torbay Pottery

## Case Study

### Torbay Pottery Great Southern

For Vicki Read, her cancer recovery journey led to the transformation of her hobby into a fully formed business.

"When I was diagnosed with a second cancer and I was given a year to live, it was a case of having to change my lifestyle," Vicki said.

Resigning from her full-time job in aged care, Vicki pursued a more flexible lifestyle to support her recovery.

"I threw myself into pottery, certainly not thinking that over 12 years later I'd still be littering the place with my creations."

Based in Torbay, 20 kilometres from Albany, Vicki makes functional and beautiful pottery, and takes commissions for unique pieces through her business Torbay Pottery, also affectionately known as Wonky Pot Pottery.

While pottery has been a lifelong passion, she has transformed it into a business with the help of the Albany Business Centre, part of the SBDC's

Business Local network of experienced advisers throughout regional WA.

"Business Local is an incredible service to those of us who are basically micro, solo businesses, who don't always have a lot of support," Vicki said.

"It just gives you that extra push along when otherwise you would waste time thrashing around in the water just not getting focused."

Vicki has participated in a range of workshops in e-commerce and website design, appreciating the advice and input from skilled teachers. While running a creative business is not the holiday some may imagine, it has brought great rewards to Vicki.

"I don't think I've ever worked harder in my life, but it's a different type of workload," Vicki said.

*"Being your own boss, you can juggle it to meet yourself."*

## Activity Reports

### Business migration

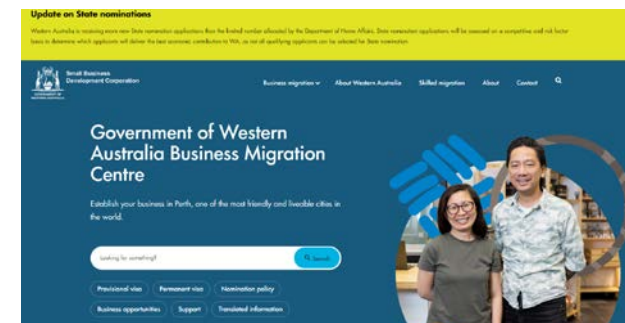
The WA Business Migration program is a key investment attraction initiative for the State. Business migrants are a source of new capital for business and investment activities, delivering new employment and economic diversification for WA.

The program attracts migrants by:

- Marketing the state as a leading destination for investment, employment, education and lifestyle.
- Providing information on business visas, and living, working and establishing a business in WA.
- Supporting qualifying clients with State nomination to lodge a visa application with the Department of Home Affairs (DHA) under the Business Innovation and Investment Program.

The SBDC has strategic alliances with the Department of Jobs, Tourism, Science and Innovation; the Migration Institute of Australia; Migration Alliance and the Department of Home Affairs to generate maximum exposure for the WA Business Migration Program and to assist new migrants to establish and develop their businesses.

The continued impact of the COVID-19 pandemic on the program, and the effect of the pandemic on world economies, resulted in a downturn in business migrants in 2021-22. The reopening of Western Australia's international borders in early 2022 is a significant event that will allow the state to reinvest in business migrant attraction. In October 2021, the Business Migration website [businessmigration.wa.gov.au](https://businessmigration.wa.gov.au) was refreshed in line with the SBDC's main website redesign. Translated information explaining the business visa criteria is available to download in 11 languages from the website.



Measure	Three year annual average (2017-20)	2021-22
New State nominated business migrants	289	116
Existing business migrants finalising net assets in WA	137	78
Total net assets into WA economy	\$401 million	\$231.6 million
New jobs created	233	129.5

# Activity Reports

## Collie Tourism Readiness Project

In a continuation of the State Government's Collie Tourism Readiness Project to assist the Collie region transition from a resources-led economy to an emerging tourism market, the SBDC funded a part-time business adviser from July to December 2021 to help small businesses become tourism ready. The continuation of the tourism ready program for local businesses, originally launched in July 2020, was designed to consolidate Collie as an emerging tourism destination in WA. From December 2021, Collie businesses could continue to access advisory and skills development support via the SBDC's Business Local network.

From July to December 2021, the project delivered 585 hours of advisory and held seven workshops with 108 participants attending to develop skills in relation to customer service, social media, and building a tourism brand.

*Photo: Top - Board and SBDC staff in front of Collie Wambenger mural. Bottom - Cyclone Seroja business recovery support, Kalbarri*

## Cyclone Seroja

In 2021-22, the SBDC continued to provide ongoing recovery support to small businesses impacted by Cyclone Seroja, which made landfall in WA's Mid West on 11 April 2021. This support included representation on the State Recovery Coordination Group; site visits to impacted Mid West communities; business advisory support and administration of the Disaster Recovery Funding Arrangements (DRFA) WA - Small Business Recovery Grant. Up to \$25,000 was available to businesses in 16 local government areas to reimburse costs associated with clean-up and reinstatement of their business in the aftermath of the Cyclone. Eligible costs included additional labour, clean-up costs, insurance excess and purchase of critical items not covered by insurance.

As at 30 June 2022, the SBDC received 80 applications and approved 46 for payment. Applications remain open until 31 March 2023. The Disaster Recovery Funding Arrangements WA - Small Business Recovery Grant is jointly funded through the Commonwealth-State Disaster Recovery Funding Arrangements.





Photo: D-Guy Tours Kalbarri

## Case Study

### D'Guy Charters mini bus Mid West

Kalbarri tour guide, Guy Acosta may have lost his home's roof in Tropical Cyclone Seroja but he certainly hasn't lost his sense of humour.

"We were stargazing for about six weeks, but I don't mind stargazing, we actually do it as part of our tours out on the Sky Walk," he says.

While Guy's home sustained structural damage, his D'Guy Charters mini-bus, used for transporting his clients on tours, was still in tip top condition structurally and mechanically. However, its paint work was badly damaged and his insurance did not cover the repairs.

"It was looking a bit ordinary for a while, but people were very understanding. Many of them had come to Kalbarri for holidays to help the local economy, as they knew what we'd been through," he says.

Thanks to a Cyclone Seroja Small Business Recovery Grant, which could reimburse up to \$25,000 of repair or replacement costs of cyclone damaged items or clean up, Guy was able to

treat his tour bus to a new vinyl wrap to cover up the damaged paint job. The vinyl wrap was a cheaper and more time efficient option than getting the car spray painted, and Guy was eligible for reimbursement of the repair cost as it was not covered under insurance.

"Everyone's been asking if I've got a new bus and if that's what they think, I've just been letting them think that."

*The Cyclone Seroja Small Business Recovery Grant is jointly funded through the Commonwealth-State Disaster Recovery Funding Arrangements. The SBDC collaborated with the Department of Fire and Emergency Services on the development of this case study.*

# Activity reports

## Policy and Advocacy

In order to support a productive and fair operating environment for small businesses in Western Australia, the SBDC contributes to the development and implementation of policies and initiatives that benefit the sector and thereby support the growth and diversity of the WA economy. Some of the activities underpinning this work include:

- Undertaking consultation with the business community and representing small business interests on government committees and working groups.
- Developing and reviewing small business-related policies and initiatives across all levels of Government; including liaising with Commonwealth, State and Local Government agencies and stakeholders to ensure that the impacts of policy and regulatory decisions are understood and addressed through evidence-based advocacy.
- Collaborating with State Government agencies and stakeholders to ensure that the impacts of policy and regulatory decisions are understood, considered and addressed. This included contributing to the development of new legislation which impacts upon the small business sector.

- Working with Streamline WA and the Council of Regulators, to identifying opportunities to reduce unnecessary compliance burdens on small business.
- Providing submissions to regulatory reviews; monitoring and reviewing policy and regulatory reforms including proposed amendments to legislation that will affect small business.
- Providing advice to the Minister for Small Business on all matters impacting upon the small business sector, economic diversification and growth.

In 2021-22, examples include:

### Legislation, Policy and Advocacy

- Development of amendments to the Small Business Development Corporation Act 1983 (WA) to enable the Corporation to administer grants and provide financial assistance directly to small businesses in Western Australia.

- Collaboration with Treasury to develop and implement small business financial support to assist small businesses manage the impacts of COVID-19 public health and safety measures; including:
  - A financial assistance package to support travel agents impacted by COVID-19 border and trading restrictions.
  - \$30 million for the second round of the Small Business Lockdown Assistance Grants Program (covering the June/July 2021 lockdown).
  - \$67 million for the Level 1 COVID-19 Business Assistance Package and \$72 million for the Level 2 COVID-19 Business Assistance Package.
- Implementation of Security of Payment Legislation and rescinding of the WA Building and Construction Industry Code of Conduct 2016.

## Activity reports

- Introduction of additional training for real estate agents in relation to the local government regulatory obligations of small businesses in commercial premises.
- Removal of earthmoving machinery used as cranes from the new provisions in the Work Health and Safety (General) Regulations 2022 (WA).
- Introduction of e-Invoicing solutions across the Government of Western Australia and on-boarding of small business suppliers.

### Partnerships and Collaboration

Including working closely with:

- The Department of the Premier and Cabinet in relation to the impact on small businesses of the COVID-19 reopening roadmap and checking the vaccination status of staff and customers.
- The Department of Water and Environmental Regulation regarding the small business impact of the acceleration of the ban on single-use plastics.
- The Western Australian Local Government Association on assessing the impact of local government red tape on small business and improving small business access to local government supply chains.

- The Department of Finance regarding government procurement and the use of statutory declarations within the construction industry.
- Energy Policy WA in relation to landlords (including shopping centre owners) adding margins for on-sold electricity in embedded commercial networks.

### Government Reviews and regulatory proposals

- Submissions to Commonwealth Treasury:
  - strengthening Unfair Contract Term protections for consumers and small businesses under the Australian Consumer Law;
  - "Supporting business adoption of electronic invoicing" consultation paper; and
  - the consultation paper on the establishment of a reinsurance pool for cyclones and flood related damage in Northern Australia
- Submissions to State Government Departments on:
  - the implementation of the Building and Construction Industry (Security of Payment) Act 2021 (WA) through the draft Building and Construction Industry (Security of Payment) Regulations 2022 (WA); and

- the review of the Local Government Act 1995 (WA).
- Advice on a range of matters including:
  - To the Insurance Council of Australia regarding its work exploring practical solutions to help small businesses access affordable public liability and professional indemnity insurance.
  - The Protection of Information (Entry Registration Information Relating to COVID-19 and Other Infectious Diseases) Bill 2021 (WA), which regulates the disclosure and use of data/information obtained for the purpose of contact tracing.
  - The Department of Transport in relation to the regulation of the accident towing industry; and the dispute resolution legislation and scheme for owner-drivers.
  - Feedback to the Department of Finance on the Procurement (Debarment of Suppliers) Regulations 2021 (WA).
  - IP Australia in relation to arbitration of patent disputes.



## Activity reports

### Small Business Friendly Local Governments

The SBDC's Small Business Friendly Local Governments (SBFLG) initiative celebrated its fifth anniversary in November 2021, at a breakfast event to which representatives of member local governments were invited. Minister for Small Business, Hon Reece Whitby MLA, delivered the keynote address at the event, which was facilitated by Small Business Commissioner, David Eaton. A panel of local government leaders including the CEO of the City of Kwinana, Wayne Jack; CEO of the City of Wanneroo, Daniel Simms; CEO of the Town of Victoria Park, Anthony Vuleta; and Director of Planning and Development, City of Stirling, Stevan Rodic; shared their organisation's experiences and aspirations for regulatory reform to support their local small business communities.

As at June 30 2022, the program has 51 members, and 80 per cent of all small businesses in WA operate within a 'small business friendly' area.

# Activity Reports

## Small Business Friendly Approvals Program

The SBDC's Small Business Friendly Approvals Program aims to simplify and streamline the local government approvals process for small business customers. Through a collaborative approach, the SBDC works closely with selected local governments to identify opportunities for improving processes, information and support available for small businesses. Funding of \$2.25 million for the program was provided to the SBDC by Streamline WA, a whole-of-government initiative to make it easier to do business in WA by improving regulation and regulatory practice, with the program to be undertaken in 2020-21 and 2021-22.

During 2021-2022, eight local government authorities, including four regional LGAs, completed the Approvals Program, using a human-centred design approach to develop a reform implementation plan for their identified improvements. Since its inception, 16 local governments, including the cities of Canning and Stirling who piloted the program in 2018-19 and 2019-20, have participated in the SBDC's Approvals Program.

### Approvals Program participants 2021-22

City of Bunbury
City of Busselton
Town of Cambridge
City of Cockburn
Shire of Chittering
City of Karratha
City of Subiaco
Town of Vincent



## Activity Reports

### Reform achievements

Achievements to date from LGAs who have participated in the Approvals Program since the start of 2021 include:

- All local governments now have a central contact point for small business applications, for example, a case management or concierge function. This has been achieved through the creation of new roles, or simply a change of internal referral and communication processes.
- The City of Melville has:
  - recruited a Senior Economic Development Officer
  - developed and implemented a knowledge sharing process within the City
  - streamlined and fast-tracked alfresco dining applications, and removed application and permit renewal fees, reducing small business costs by \$306.50 for new applications and \$252.75 for renewals.
- The City of Kwinana has:
  - removed the requirement for business signage approval by revoking a local law
  - adopted a Compliance and Enforcement Policy and operating procedures to support a solution focus over an infringement approach
  - now automatically grants a trading permit, at no cost, to businesses that have an approved food registration within the City of Kwinana, reducing costs by of \$366.50 annually per business
  - included an opt-in option on all application forms for small business owners to sign up for business support
  - introduced business start-up meetings, either on-site or in-office following first contact with a small business customer.



Photo: Mette is Baking

Overall, the 14 LGAs who have participated in the Approvals Program since the start of 2021, have identified 330 reform initiatives to create a more small business friendly environment.

**“Whatever we can do as a Council to help small business set up in the City of Wanneroo, or expand in the City of Wanneroo, will only help us meet our employment targets.” Daniel Simms, CEO City of Wanneroo.**

One of the fastest growing local governments in Australia, with approximately 13,000 local businesses, the City of Wanneroo commenced the SBDC's Approvals Program in 2021. The City recognises that small businesses are a driver of local employment and an important part of the local economy, and help them meet their key challenge of creating local jobs. With strong support from local government leadership, a working party was drawn from across the City's teams to investigate and design improvements to the business application and licencing processes over an intensive six-week period from February to March 2021.

Since completing the program in March 2021, over the course of the past year the City has implemented the following changes to support and encourage Wanneroo small businesses to start, grow and thrive, including:

- expanding online approvals and implementing automated approvals for home based businesses and burn permits
- launching an online Business Approvals Self-Assessment Tool to guide new and established businesses through the permits and approvals they may need to operate

- creating the 'Business Wanneroo' micro site as a central repository of information for individuals wanting to start or grow a business in Wanneroo
- digitising over 40 forms.

Before the City's participation in the Approvals Program, 75 per cent of business related development applications in the City of Wanneroo were incomplete or required additional information, increasing overall decision timeframes. After completion of the program, only 47 per cent of business applications required additional information. This is an exceptional result that demonstrates the impact of reforms designed to improve the upfront information available for business customers.

Participation in the program has also delivered benefits to staff, who have enhanced their skills in process improvement and developed a strong understanding of the needs of local small businesses to help them serve their community better.

*Photo: Café Elixir*



# Activity reports

## Corporate Resources

The Corporate Resources team assists the SBDC to reach its objectives and goals through financial management including budgeting and accounting services; human resource management; ICT management; records and information management; general administration and facilities management including assets, fleet, accommodation and procurement.

### In 2021-22 Corporate Resources:

Enhanced the Corporation's working from anywhere capability by deploying mobile devices and secure remote access for all staff. This enables greater work flexibility options to staff, and the continued delivery of critical business services, particularly when responding to challenges such as COVID-19.

Recruited approximately 50 people to the Grant Operations team, to assist with the administration and assessment of COVID-19 Business Assistance Grants.

Established a satellite office in the CBD in March to accommodate the Grant Administration team. This involved implementation of workstations, telephony, networking and access to corporate systems at very short notice.

Responded to ongoing COVID-19 workplace adjustments based on the latest health advice. Ensuring the health and safety of staff and the ongoing delivery of services were key priorities.

Developed and implemented a strengthened Integrity Framework across the Corporation.

## Case Study

### XS Energy Pilates Pilbara



Photo: XS Energy Pilates

Wendy Drew traversed incredible challenges – in the form of a tropical cyclone and a pandemic – when she established XS Energy Pilates in Karratha. Her boutique studio offers mat and reformer Pilates with a focus on women's health and pre and post-natal exercise, and is tailored to a small number of participants at any one time for a more individualised experience.

"I opened my business at a difficult time," Wendy said. "I dealt with a cyclone and then COVID, which shut me down when we went into lockdown for three to four months."

The timing of Wendy's business moving into commercial premises coincided with Tropical Cyclone Veronica in March 2019, which smashed the north-west with destructive winds and extreme rainfall. Just months later, the COVID-19 pandemic struck.

Wendy said she did not realise the SBDC's free Business Local advisory service in the Pilbara, provided by RSM Business Local, even existed until one of the advisers started coming to her classes.

"I had no idea Business Local was a free service so I went and had a consult with Nadine [one of the Pilbara advisers]," she said.

"She's helped me with so many things, from refining the processes in my business, payroll, accounting to even giving me ideas for advertising and marketing."

Wendy said she was also thankful for Business Local's help during a rental dispute in which she was charged full rent during COVID as well as overheads when the business was closed, making her consider shutting down for good. With their support and advice, Wendy was reimbursed 50 per cent of the charges.

"Now I book in randomly, say for end-of-financial-year for tax processing or if there is something else I want advice about."

*"It's reassuring to know they're there to help."*

# Activity reports

## Investigations and Inquiry Unit

The Investigations and Inquiry Unit (IIU) of the SBDC investigates poor practices including delayed payments and breaches of contract experienced by small businesses in relation to larger organisations or government entities. Its purpose is to inquire into and act upon conduct that has an adverse impact upon small business in Western Australia, through the authority of the Small Business Commissioner.

The construction industry has been a key focus for IIU since its establishment in 2019, with the SBDC committed to supporting small business subcontractors in the industry by reducing payment disputes and improving conduct in the supply chain.

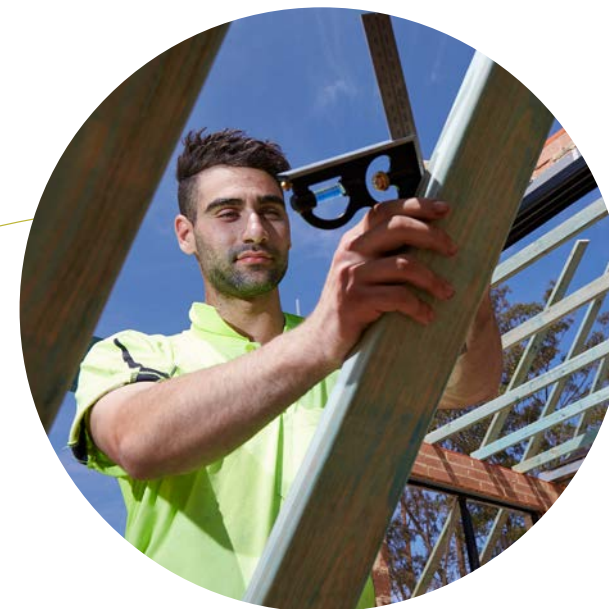
During 2021-22, the IIU continued to monitor the market to identify trends and issues that impact in the construction sector.

Trends noted included:

- Increased costs of materials and labour shortages is causing a strain and delays on projects.
- Some public sector tenders are receiving minimal interest, as construction firms are reluctant to commit in the volatile market.
- The current WA market favours short term tenders, with many larger projects unable to be filled by the local market. These projects are often awarded to Tier One construction firms, but ultimately require local engagement at an increased price.
- The inflated cost of construction can impact small business profitability, even when fully engaged in work projects. This situation may become unsustainable for many.

IIU matters 2021-22:

- A total of 66 complaints were received in 2021-22, compared to 100 the previous year.
- 59 per cent of all complaints related to the construction industry.
- The IIU has seen a slight increase in disputes over non-payment; however, many are related to contract variations disputes requiring further action or adjudication.
- Non-payment is the highest topic of complaint received.



# Activity Reports

## Communications and Marketing

### Online information

The SBDC's website, [smallbusiness.wa.gov.au](http://smallbusiness.wa.gov.au), has become an increasingly important source of information and resources for the Western Australian small business community throughout 2021-22.

The website was redesigned and relaunched in October 2021, in response to the accelerated adoption of digital channels due to the influence of the pandemic. The new website provides a more contemporary user experience and a foundation for expanding and evolving the SBDC's digital service delivery into the future.

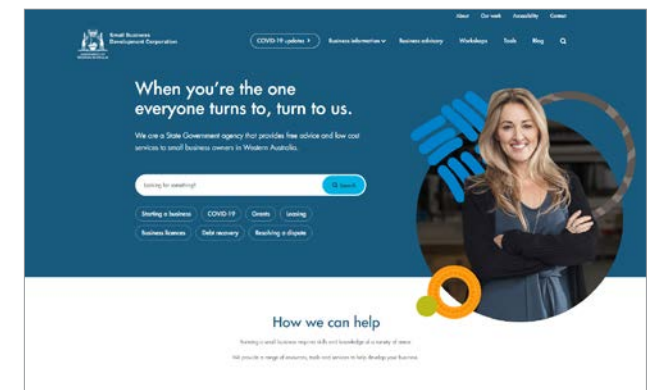
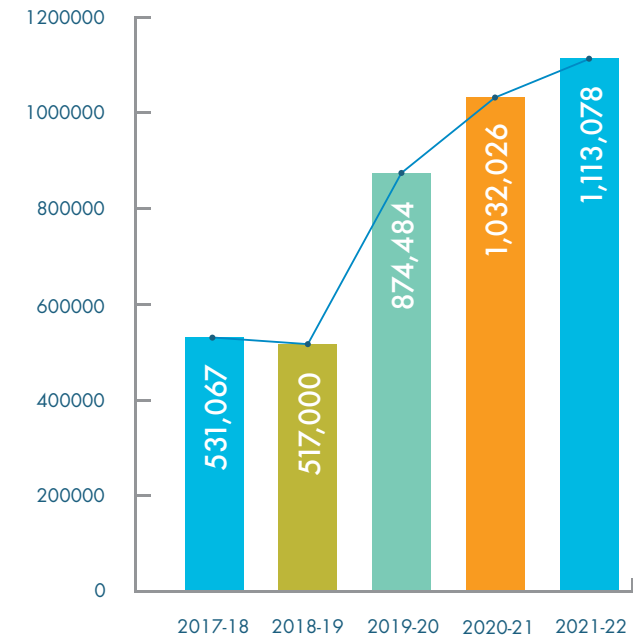
Investment in the new platform has provided:

- greater flexibility for the presentation and management of content
- better mobile display, reflecting the increasing use of smart devices
- enhanced search functionality
- improved accessibility for a wider range of users
- future-proofed information architecture to allow new content to be introduced to the website, and
- an intuitive user experience with simpler delivery of relevant contents when the user needs it.

The new website has allowed the agency to respond quickly to the fast-evolving pandemic environment, including details on restrictions and financial support, by publishing online information tailored to the information needs of the small business community. It attracted 1,133,078 views in 2021-22, compared to 1,032,026 the previous year and shows an ongoing trend of increased visitation. The significant increase can be attributed to:

- the more user-friendly and accessible interface, with better mobile display (50 per cent of visits were from mobile devices)
- a continuing adoption of digital channels throughout the COVID-19 pandemic
- the need for immediate, correct and tailored information about COVID-19 health settings and responses, and
- the SBDC's long term investment in creation of organic, search engine-optimised (SEO) content.

Website views



The SBDC blog, with new content categories, is one of the agency's most useful tools for keeping small businesses informed of legislative changes, tips for starting and growing their business, success stories and more. The creation of regular SEO content helps the agency rank highly in search results for relevant queries about small business matters.

In 2021-22, 96 blog posts were created or updated, and 25 newsletters were sent to a database of more than 7,500 subscribers to promote the content.



**96**  
blog posts



**25**  
newsletters



**7500+**  
subscribers

### Social media and content

The SBDC's key social media accounts on Facebook, Instagram and LinkedIn continued to grow follower numbers, assisting to amplify agency and government messages to a wider audience.

#### Top 10 Content 2021-22

1	WA coronavirus relief package (replaced by COVID-19 government grants page)
2	Small business lockdown assistance grants
3	Proof of vaccination requirements for WA businesses
4	Mandatory contact registers for businesses
5	Practical tips for managing proof of vaccination requirements
6	Mandatory vaccinations for critical business workers released
7	Extended Christmas trading hours
8	COVID safety plans for business
9	Things to know when starting a food truck business
10	Get ready for WA's single-use plastics ban

■ COVID-19 related ■ Other topics

Platform	No. followers/members	Growth
Facebook (page)	24,227	4%
Facebook Group "I'm a small business owner in Western Australia"	11,966	10%
Instagram account	2,749	19%
LinkedIn company page	2,969	22%

The commencement of a cross-platform approach to content strategy in July 2021 allowed a focus on monthly topics of interest and importance to small business operators, with articles themed to address the overarching focus.

### Content themes 2021 - 22

July 2021	Business planning for the new financial year
August 2021	Your business location
September 2021	Personal and professional development
October 2021	Celebrating small business
November 2021	End of year preparation
December 2021	Plan your marketing for 2022
January 2022	The Great Resignation
February 2022	Business continuity
March 2022	Managing COVID at work
April 2022	Regional businesses in focus
May 2022	Preparing for EOFY
June 2022	Managing business disputes

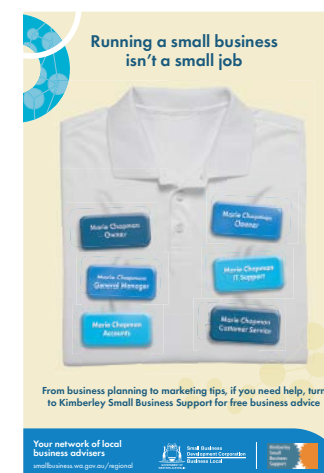
### Marketing and advertising campaign

An integrated regional marketing campaign raising awareness of the SBDC's regional network of business advisers, Business Local, was delivered in March and April 2022. Business Local operates throughout nine regions of WA outside of the Perth metropolitan area, offering free business advisory and low cost skills development workshops, tailored to the specific needs of each region, all delivered by the SBDC's experience regional partners. Key to the success of this campaign was the repositioning of Business Local as a network of local, regional business advisers, supported by the SBDC. By using an endorsement approach, the SBDC could highlight the State Government's support across all regions of WA.

The campaign comprised television and radio advertising throughout regional WA; and social media, print and search engine marketing targeting the focus regions of the Kimberley, Mid West and Great Southern. Advertising was supported by the creation of a dedicated regional section on [smallbusiness.wa.gov.au](http://smallbusiness.wa.gov.au); public relation activities and content development, such as regional business case studies published on the SBDC blog and promoted across social platforms and enews; campaign-specific marketing collateral; and engagement

activities with regional stakeholders including local government authorities, development commissions, and chambers of commerce and industry.

The statewide television advertisement attracted over half a million views in the first two weeks, and 1,055,500 overall, delivering a six-fold return on investment. Facebook and Instagram advertising achieved more than 50,000 impressions, and a reach of 40,948. Google ads returned 2,490 clicks to the regional page on the SBDC website.



## COVID-19 and small business

The COVID-19 pandemic and associated public health and social measures continued to affect the operating environment for small businesses throughout 2021-22. As at 30 June 2022, more than 917,000 cumulative cases of COVID-19 were recorded in Western Australia.<sup>1</sup>

Significant events that impacted the small business community throughout the year included:

- The implementation of restrictions for the Perth and Peel region in place from 23 December 2021 to 4 January 2022, requiring the cancellation of large scale events, closure of nightclubs, seated consumption of food and beverages and introduction of face masks in public.
- Staged introduction of mandatory vaccination of workers in specified occupations and industries from 1 December 2021.
- Introduction of proof of vaccination requirements for higher risk venues and events on 4 January, with the continuation of mandatory contact registers.
- 75 per cent capacity rules for seated venues and 2-square-metre rule for specified venues from 21 February 2022.

- Level 1 public health and social measures including restrictions on gatherings, capacity and density limits expanded statewide from 26 February 2022.
- Level 2 public health and social measures included increased capacity and density limits introduced from 3 March 2022.
- Ongoing worker shortages and impacts from COVID-19 infections and isolation periods, particularly after the lifting of WA's border restrictions.

The SBDC, working closely with other State Government agencies, focused on providing essential information and support around COVID-19 to the small business community throughout the year.

While a broad range of assistance and advocacy was delivered, the two main focus areas were:

- Provision of information and advice tailored to the needs of small businesses.
- Delivery of financial assistance on behalf of the State Government.

<sup>1</sup>Department of Health "Coronavirus COVID-19 in Western Australia" dashboard <https://experience.arcgis.com/experience/359bca83a1264e3fb8d3b6f0a028d768> accessed 11 July 2022.



Photo: Bindoon Bakehaus

### Tailored COVID-19 communications

COVID-19 communications continued to be a significant focus for the SBDC. The rapidly evolving environment and public health and social measures put in place throughout the year made it challenging for small business operators to stay up-to-date and compliant with new requirements. The agency played a central role in ensuring that this audience understood how measures to manage the spread of the virus in the community might impact their business, and the responsibilities they had.

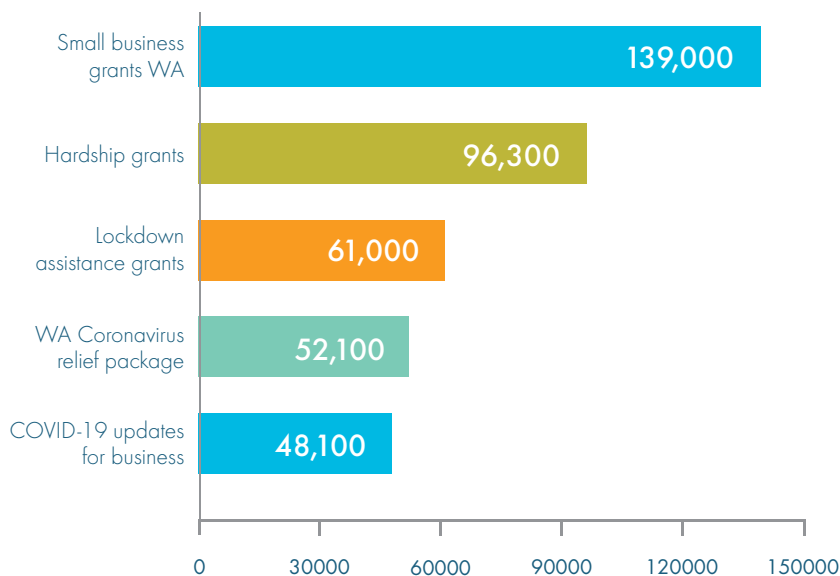
The SBDC worked closely with the Department of Premier and Cabinet (COVID Communications team), the Department of Health and other agencies to ensure our information complemented information available on [www.wa.gov.au](http://www.wa.gov.au) and other channels.

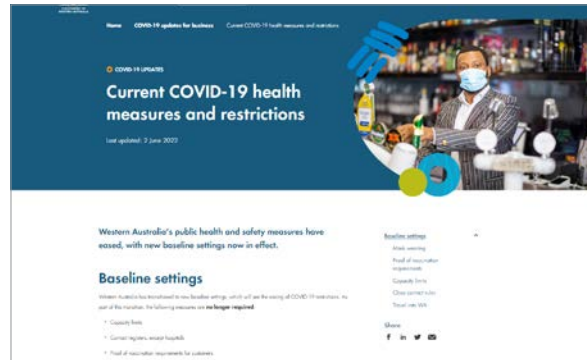
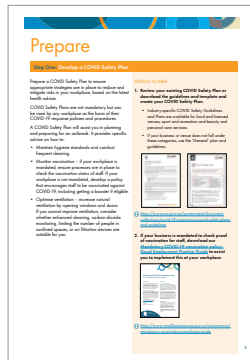
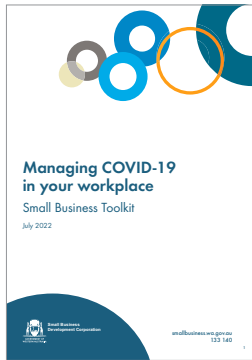
A range of toolkits and documents was developed, ensuring that complex information was curated and explained in a clear and easy to access format. Online COVID-19 updates were timely, accessible, accurate and targeted to the information needs of small businesses. Seven out of the 10 top read articles on the website in 2021-22 related to COVID-19.

Due to the high volume and rapid changes to content and updates related to COVID-19, a new section of the SBDC website *COVID-19 updates for business* was published in March 2022, as a central repository

for key COVID-19 information and updates for small business. A blog category for COVID-19 was also maintained to house complementary content and articles. The most popular content on the website related to financial assistance programs administered by the SBDC.

#### COVID-19 website views





The agency developed comprehensive publications about COVID-19, tailored to the needs of small business owners, including:

- *Managing COVID-19 in your workplace:* A toolkit for small business owners in Western Australia to help them prepare for and respond to a case of COVID-19 at their business. This content was available in an interactive digital format and as a downloadable PDF, and was updated when public health and safety settings and other factors changed.
- *Mandatory vaccination for employees guide:* A guide about the mandatory COVID-19 policy for the WA workforce and workplaces. This content was available as a comprehensive online guide and as a downloadable PDF, and was updated when public health and safety settings and other factors changed.

- *Customer proof of vaccination toolkit:* Assisting business owners with asking customers to provide proof of vaccination.
- *Current health measures and restrictions:* A content page that was updated as public health and safety measures such as mask wearing and contact registration changed.

Regular blog posts assisting businesses with requesting proof of vaccination from customers, setting up SafeWA and ServiceWA apps, and maintaining mandatory contact registers, among other topics, were also published on [smallbusiness.wa.gov.au](https://smallbusiness.wa.gov.au).

## COVID-19 Grant information

Online platforms again proved vital to assisting small business owners with awareness about the grants, education on eligibility and the application process. A variety of online methods were used to assist with the grants process, including:

- live chat assistance from business information officers and the grants applicant assistance team
- frequently updated online content including FAQs to assist with eligibility and application questions
- the creation of various online tools to assist applicants, including spreadsheets for calculating FTE and reduction in turnover.

A webinar thoroughly explained the process of applying for the Hardship Grant, and a recording was uploaded to the SBDC's YouTube channel. The live webinar attracted an audience of 1,280 registrations, while the YouTube webinar recording was viewed 6,827 times as at 30 June 2022.

The Small Business Hardship Grant was also promoted across print, radio and digital channels through a marketing campaign managed by the Department of Premier and Cabinet.

## Delivery of Financial Support

Many WA small businesses experienced financial impacts in 2021-22, as a direct or indirect result of the COVID-19 pandemic.

With a range of public health and social measures introduced by the Chief Health Officer to manage community spread of COVID-19, the State Government announced several grant programs to mitigate financial impacts on businesses. Several financial assistance programs were directly targeted at the small and medium business sector, and as a result the SBDC was asked to administer them.

### Grant programs administered by the SBDC 2021-22 (as at 30 June 2022)

	Name	Amount	Closing date	For
	Small Business Assistance Grant – December 2021	\$400 to \$12,500	31 May 2022	Small businesses in Perth, Peel and Rottnest that were directly financially impacted by the Chief Health Officer's COVID Restrictions (Directions) from 23 December 2021 to 4 January 2022.
Level 1 Business Assistance Program	Tenant Rent Relief Scheme: Level 1 Business Assistance Package	\$3,000	30 June 2022	Small business tenants that experienced a 30 per cent or greater decline in revenue between 1 January and 30 April 2022.
	Tenant Rent Relief Scheme (State Government tenants): Level 1 Business Assistance Package	\$6,000 (rental credit)	Ongoing	Small business tenants of State Government buildings that experienced a 30 per cent or greater decline in revenue between 1 January and 30 April 2022.
	Landlord Rent Relief Incentive: Level 1 Business Assistance Package	\$1,500	Ongoing	Landlords who voluntarily match the Government's Tenant Rent Relief payments of \$3,000 per tenant, for tenants found eligible under the Tenant Rent Relief Scheme.
Level 2 Business Assistance Program	Small Business Hardship Grants: Level 2 Business Assistance Package	\$3,750 to \$50,000	30 June 2022	Small businesses impacted by Level 2 public health and social measures that came into effect on 3 March 2022.

## Case Study

### Pmac Shapes and Fish on Fish Skins Great Southern



Photo: Pat McCarthy, Pmac Shapes and Fish on Fish Skins

Esperance creative Pat McCarthy has melded his passion for the ocean into two business ventures – novel fish art and custom handmade surfboards.

A school teacher by trade, Pat said he was extremely grateful that the free Business Local advisory service had connected him with skilled experts and business advisers to progress his artistic pursuits.

“I’m maybe a unique case. I’m trying to lift off two businesses. I’ve got custom surfboards and an artwork enterprise called Fish on Fish Skins,” he said.

“In the last year I’ve scaled back work as a school teacher, so now I’m only two days at school and two or three days working on my projects.

“I’m a lot more competent on the creative side. I like creating, but am basically useless at everything else in a business sense.”

Pat, who operates custom handmade surfboard enterprise Pmac Shapes and innovative fish art concept Fish on Fish Skins, said he contacted the Business Local service at the Esperance Chamber of Commerce and Industry earlier this year after spotting a television advertisement about the service. The service, funded by the WA

Government through the SBDC, provides a network of local business advisers throughout regional WA.

The original fish art helps keen anglers and fishers to immortalise an impressive catch into a lasting artistic memento created from mixed mediums.

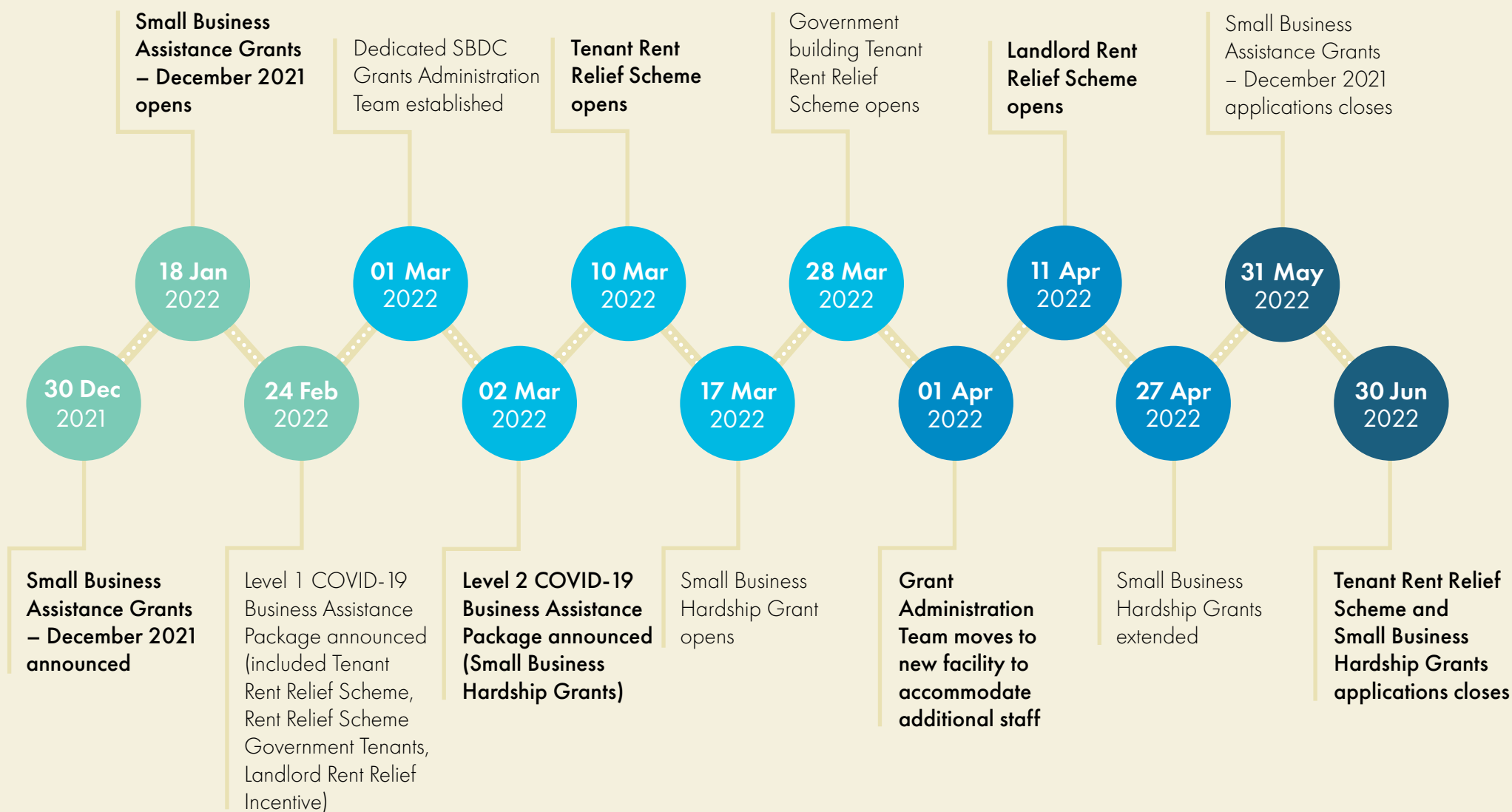
“I didn’t know about Business Local until I saw the ad on TV,” he said.

“I was in the brain space where I didn’t even know where to start and Business Local has given me the baby steps to start the journey.”

Since then, Pat has participated in several free or low-cost workshops, including how to write a business plan, photography, social media and Xero accounting, which he described as a “game-changer” for his businesses.

“It’s been hugely beneficial. I’ve been able to put processes in place to improve what I’m doing to grow the businesses productively rather than just hoping for the best.”

## COVID-19 grant programs timeline



“Thank you! I received my grant funds today and am so incredibly grateful. Things have been hard for our business these past few months and this is a **huge help.**”

## Grant recipient

Via email, June 2022

## Creating the Grant Administration team

While the SBDC administered a range of COVID-19 and disaster response grant programs until December 2021 from within existing agency resources, the range and anticipated demand for the Level 1 and 2 Business Assistance packages announced in February and March 2022 required a new approach, to ensure that eligible small businesses could receive the assistance they required as soon as practicable.

The Director of the Investigations and Inquiry Unit was seconded to the role of Director Grant Administration in late February 2022. This was integral to the processes of building a team, procedures and infrastructure to effectively administer, assess and deliver a range of grants on behalf of the State Government.

Originally comprised of a small team of seconded SBDC staff and contractors, the Grant Operations team grew to 45 team members by 30 June 2022, moving from temporary space at 140 William Street Perth, to a dedicated office in April 2022 to accommodate its members.

The responsibilities of the team were largely divided into grant assessment and applicant assistance functions, with effort dedicated to streamlining the application process, minimising onerous evidence

requirements and ensuring communications supported accessibility for culturally and linguistically diverse applicants and those with other needs. At any given time, on average 40 per cent of applicants did not complete their applications in full, requiring follow up and additional information.

The grant administration function received support from across the agency, particularly from the Small Business Services and Communications and Marketing teams, to ensure that clear and consistent messaging about grants availability and eligibility was provided.

## Fraud mitigation

A key challenge of administering all government grant programs was balancing efforts to distribute funds to small businesses in need as quickly as possible, while ensuring due diligence over managing taxpayer funds. To help manage potential risks associated with fraud, the following risk mitigation measures were introduced:

1. A mandatory first step of completing identity verification using the MyGovID app before being able to start a grant application was introduced. MyGovID is a unique digital identity and security measure, used for online government services in Australia.



Photo: SBDC Grant Administration team

2. Independent review of a percentage of approved assessments for complex programs by secondary assessment or internal random review.
3. Review of all high value grants by the SBDC's Investigation and Inquiry Unit.
4. Information sharing about potentially fraudulent applications with other agencies.
5. Creating a COVID-19 Grant Fraud reporting mechanism via the Crime Stoppers WA website.
6. Referring of 32 matters of suspected attempted fraud to WA Police.

“I’m not sure who to thank for this, but I am deeply grateful to whomever created the hardship package for small business.

I lost full time employment at the beginning of the COVID epidemic and at my age, it was hard to find a job, so I went back to consulting. I was adapting to the new world of delivering my services via digital means, but when we went into lockdown early this year, everyone cancelled dates I had booked in and it was a very scary time. **Receiving this grant may seem small to some, but it is huge to me** and I am so very grateful that someone is watching out for small businesses like my own.”

## Grant recipient

Via email, May 2022

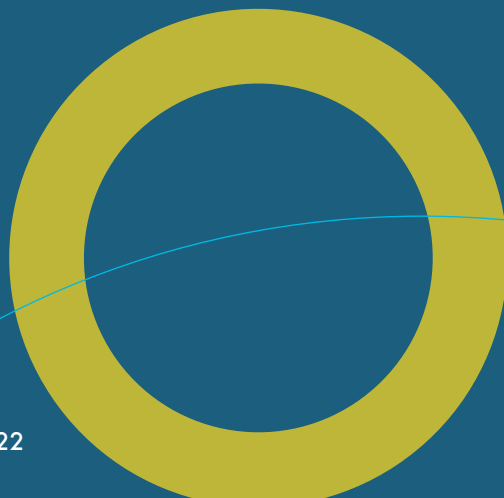




Photo: Landi Bradshaw Photography

## Case Study

### Landi Bradshaw Photography Kimberley

Community is the cornerstone of Landi Bradshaw's photography pursuits.

So, it was a natural extension for her to draw on the collective nous of local business advisers when she established Landi Bradshaw Photography.

Landi began using the SBDC's free Business Local advisory service, operated by Kimberley Small Business Support, in 2015 after she started her Kununurra-based business, which also services the greater East Kimberley region.

"In the beginning, I didn't know where to start so having quality advice was really valuable in getting the business off the ground," she said. "It definitely helped kick-start my business."

Landi's passion for photography started at a young age, taking happy snaps on family holidays with her treasured film camera. Now, she takes on a range of professional projects including weddings, family portraits, commercial photography and events, as well as running a landscape photography gallery that captures the region's rugged ranges, unique boab trees and spectacular sunsets.

Landi said the breadth of expertise offered by the Business Local network could not be underestimated.

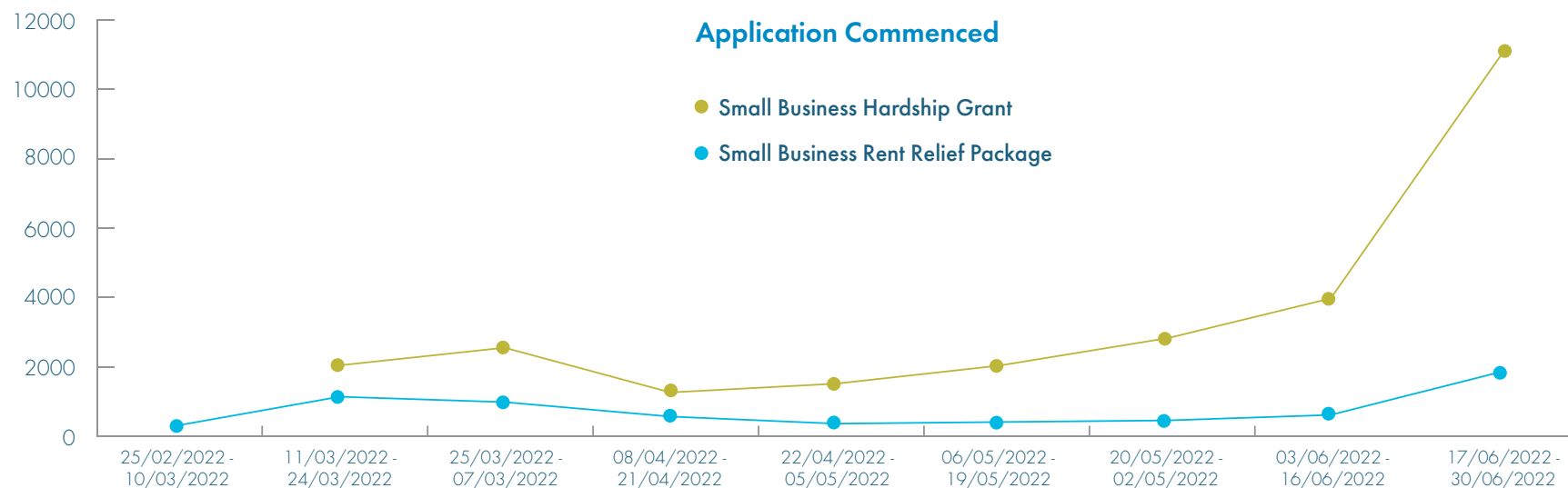
"Business Local is really handy because it's a free service and you have endless knowledge on tap. I've told lots of friends who have been starting up small businesses in town over the years about it," she said.

"I did a few workshops but the real value was the fact that they have a lot of different business advisers with different expertise, which meant I had support from a range of mentors – everything from the basics of running a business, to accounting and a bit of marketing.

"They have a range of people who have their own businesses or work in other jobs and utilise their skills to help people who are starting out."

Landi's business has been on an upward trajectory and she recently employed her first staff member to help manage admin and marketing.

"In the beginning, I didn't know where to start so having quality advice was really valuable in getting the business off the ground."



Small Business Hardship Grant and Tenant Rent Relief Package - Applications commenced by 30 June 2022

**SBDC Administered COVID-19 Business Assistance Packages - supported businesses and money (or credits) at 30 June 2022.\***

Grant Program	Number of Businesses Supported	Amount paid
Small Business Hardship Grant	3672	\$37,491,250.00
Small Business Rent Relief Package	2628	\$7,905,000.00
Small Business Assistance Grant Program - December 2021	637	\$4,590,950.00
Landlord Rent Relief Credit Scheme	36	\$54,000.00
Government Tenant Rent Credit (rental credit only)	27	N/A
<b>Total for COVID programs as at 30 June 2022</b>	<b>6973</b>	<b>\$50,041,200.00<sup>+</sup></b>

\*unaudited figures

<sup>+</sup>as at 30 August 2022, over \$130M had been distributed to grant recipients

# Corporate Governance

## Governance disclosures

### Enabling legislation

The SBDC Act makes provision for the establishment of the SBDC and Small Business Commissioner to encourage, promote, facilitate and assist the establishment, development and carrying on of small business in the state and provide dispute resolution services, and for incidental and other purposes.

### SBDC Board



#### Grant Cucel - Chair

Grant Cucel is self-employed and Pilbara born and raised.

Mr Cucel has an extensive business background having run his own recruitment business for 10 years and was the 2012 inductee into the Western Australian Regional Small Business Hall of Fame and recognised as the 2013 City of Karratha Citizen of the Year.

For nine years, Mr Cucel held the role of chair of the Small Business Centre West Pilbara and strongly advocated for small and medium enterprises in regional Western Australia. He is a former Deputy Mayor for the City of Karratha where he promoted economic development and diversification. Having sold his recruitment business to a publicly listed company, Mr Cucel now has a strong focus on assisting a cross section of organisations in a voluntary capacity.

Mr Cucel has a Bachelor of Business Degree (First Class Honours) from Curtin University.



#### Eliza Carbines

Eliza Carbines was appointed to the Board in October 2021. Ms Carbines is Karratha-based and is the founder and CEO of Tender Relief which offers tailored support, training and consulting services to businesses, primarily in regional Western Australia. Prior to commencing her own business, Ms Carbines worked in various roles across both the state government and private sectors. She is a strong advocate for entrepreneurship and economic diversity throughout regional Western Australia and has served on a number of not for profit boards.

Ms Carbines holds Association of Proposal Management Professionals (APMP) Foundation and Practitioner Certification and is the current Chair of the APMP ANZ Committee.

# Corporate Governance

## Governance disclosures



**Danelle Cross**

Danelle Cross was appointed to the Board in July 2019. Ms Cross is co-owner/director of a small business, Gourmet and More, a gourmet food wholesaler and distributor.

An experienced and respected leader in the areas of innovation, entrepreneurship and learning and development, Ms Cross spent 14 years at Curtin University, including as the head of the executive education area within the Faculty of Business and Law. She is currently the Director of Discovery at St Hilda's Anglican School, and a mentor and connector for a number of WA business founders.

Ms Cross holds a Bachelor of Commerce, double major in marketing and PR from Curtin University.



**Cindy Hurst**

Cindy Hurst was appointed to the Board in September 2020. Ms Hurst has owned and operated her own small business, Goldfields Chiropractic and Healing Centre in Kalgoorlie since early 2009. She was the recipient of the Kalgoorlie Boulder Chamber of Commerce and Industry Young Achiever Award in 2009 and a finalist in the WA Regional Small Business Awards, community engagement category in 2017. Ms Hurst is a member of a number of not for profit boards in the Goldfields region and maintains strong affiliations with multiple community and sporting organisations.

Ms Hurst holds a Bachelor of Science (Chiropractic) and Bachelor of Chiropractic from Murdoch University, along with Certificates III and IV in Fitness and a post graduate certification in International Sports Chiropractic.



**Anthony Masi**

Anthony Masi was appointed to the Board in April 2014. Mr Masi is a pharmacist and has owned and operated successful small businesses in regional WA since 1991. These include a camera store, a health food shop, an IGA grocery store and two pharmacies. He is a former board member of Kimberley Pilbara Medicare Local and is a Branch Committee Member of the Pharmacy Guild of Australia (WA Branch). Mr Masi is also an active member of the Kyle Andrews Foundation, a Broome based children's cancer charity. He was the Chair from 2008-2010 and is currently the treasurer.

Mr Masi has a Bachelor of Pharmacy from Curtin University.

# Corporate Governance

## Governance disclosures



**Gillian Nathan**

Gillian Nathan was appointed to the Board in October 2021. Ms Nathan is the founder and owner of a tax and accounting practice, Simple Solutions Accounting Services. Ms Nathan has extensive experience in taxation, financial and management reporting and works daily with small business owners. Prior to starting her own business, she gained experience in the public and private sector working across a range of accounting and tax practices. She is a board member for Financial Toolbox, a not for profit organisation which aims to build the financial knowledge and skills of Western Australian women, and volunteers on a number of school and sporting committees.

Ms Nathan is a Chartered Accountant, with a Masters in Taxation and International Tax. She is a Tax Agent, a South African tax practitioner and a qualified secondary school teacher, registered to teach in Western Australia.



**Michael Schaper**

Michael Schaper was appointed to the Board in June 2022. Dr Schaper served as the inaugural Deputy Chair (small business) of the Australian Competition and Consumer Commission, where he also founded the national Small Business Commissioners Forum, and was the Small Business Commissioner for the ACT. He was also the foundation Professor of Small Business and Entrepreneurship at the University of Newcastle NSW, and responsible for the small business program at Curtin University.

He is a board member of the Gaming and Wagering Commission of WA, Chair of the Energy and Water Ombudsman WA, Chair of the ATO's shadow economy advisory forum, and member of the national board of the Australian Institute of Company Directors. His current and recent work includes advising international bodies such as the UN and Asian Development Bank on SME policy issues.

Dr Schaper holds a Doctor of Philosophy in small business management and a Master of Commerce degree from Curtin University, as well as a Bachelor of Arts from the University of Western Australia.



**David Eaton (ex officio)**

David Eaton was appointed WA's first Small Business Commissioner in December 2011. In his dual role as Chief Executive Officer of the SBDC, he is responsible for the day-to-day operations of the agency, including its dispute resolution service. The Commissioner also provides advice on policy and regulatory matters affecting the small business sector, to all tiers of government and in particular to the Minister for Small Business.

Mr Eaton has extensive business management experience, both as a small business owner and in senior executive positions in WA and Victoria. He holds a Master in Business Administration from The University of Western Australia, is a Graduate Member of the Australian Institute of Company Directors and a member of the Curtin Law School Advisory Board.



# Corporate Governance

## Governance disclosures

### Functions of the Board

As the SBDC's governing body, the Board has responsibility for performing the functions set out in the SBDC Act. The SBDC Board has four strategic roles:

- setting the direction of the agency
- determination of standards
- coordination of planning, policies, and decision-making framework
- acting in an advisory capacity to the Minister, the government and other agencies.

### Operational roles of the Board include:

- setting strategies
- focusing on client service and customer needs
- striving for organisational best practice and compliance with standards
- delegation of operational decision making to officers within the SBDC.

### Members current as at 30 June 2022

Name	Initially appointed	Term expires	2021-22 meetings attended <sup>1</sup>
Mr Grant Cucel	02/10/2017	31/05/2025	12/12
Ms Eliza Carbines	01/10/2021	30/09/2023	7/8 <sup>2</sup>
Ms Danelle Cross	17/06/2019	30/06/2025	10/12
Ms Cindy Hurst	31/08/2020	31/08/2023	12/12
Mr Anthony Masi	01/04/2014	20/06/2023	9/12
Ms Gillian Nathan	01/10/2021	30/09/2023	8/8 <sup>3</sup>
Dr Michael Schaper	01/06/2022	31/05/2025	1/1 <sup>4</sup>
Mr David Eaton (ex officio)			11/12

<sup>1</sup>A total of 12 meetings were held during the reporting period

<sup>2</sup>Appointed 1 October 2021

<sup>3</sup>Appointed 1 October 2021

<sup>4</sup>Appointed 1 June 2022



# Corporate Governance

## Governance disclosures

### Board remuneration 2021-22

Position	Name	Type of remuneration	Period of membership	Gross actual remuneration (\$)
Member / Chair	Mr Grant Cucel	Annual	Full year	11,375.07 <sup>5</sup>
Member	Ms Eliza Carbines	Annual	Part year	6,654.18 <sup>6</sup>
Member	Ms Danelle Cross	Annual	Full year	9,385.08
Member	Ms Gillian Nathan	Annual	Part year	6,654.18 <sup>7</sup>
Member	Mr Anthony Masi	Annual	Full year	9,105.72
Member	Ms Cindy Hurst	Annual	Full year	9,540.08
Member	Dr Michael Schaper	Annual	Part year	595.37 <sup>8</sup>
Chair	Mr Steven Dobson	Annual	Part year	21,509.45 <sup>9</sup>
Member	Ms Sophie Dwyer	Annual	Part year	2,756.82 <sup>10</sup>

<sup>5</sup>Appointed Chair 1 June 2022

<sup>6</sup>Appointed 1 October 2021

<sup>7</sup>Appointed 1 October 2021

<sup>8</sup>Appointed 1 June 2022

<sup>9</sup>Term completed 31 May 2022

<sup>10</sup>Term completed 30 September 2021



Photo: Toast My Curry

# Corporate Governance

## Governance disclosures

### Other financial disclosures

#### Internal audit

The SBDC outsources its internal audit function which focuses on the effectiveness of the key processes and controls to meet the compliance requirements of the *Financial Management Act 2006* and applicable Treasurer's Instructions. The audit provides assurance to the SBDC Board and management in relation to the quality, reliability, adequacy and integrity of the systems of internal control, compliance and reporting.

#### Pricing policies

The SBDC collects the following fees and charges:

- DRS (mediation) fees set at \$125 per party per session. This represents partial cost recovery for government. The total cost of each mediation session is generally \$1,000 with the SBDC subsidising the difference.

- Business Migration State Nomination application fees set at \$750 for both provisional and permanent business visas. The fees represent partial cost recovery for the processing of applications under the Business Innovation and Investment visa program.
- Business workshop fees, with the exception of the free 'Starting a Business' workshop, are priced at \$20 per participant.

The Corporation's fees and charges are reviewed annually as part of the budget process.

# Corporate Governace

## Our people

### Workforce development

A Workforce and Diversity Management Plan is helping shape the agency's approach to workforce development through to 2024.

The SBDC uses a performance development plan (PDP) to support workforce development and foster two-way communication between managers and staff. Individual PDP sessions focus on specific and measurable personal and professional goals, resulting in staff making a more positive contribution to the agency and its clients. A new PDP process was introduced in June 2022 and is designed to better support the process.

Opportunities, including individual and group training and skills development, knowledge sharing and acting opportunities, continue to be used to cover short-term vacancies and to assist with longer term succession planning. Leadership development remains a key focus for the SBDC, including the continued development of current leaders as well as identifying and supporting the development of potential future leaders.

The Corporation has adopted a new learning and development software package to better support

the delivery and management of our capability and performance development activities into the future.

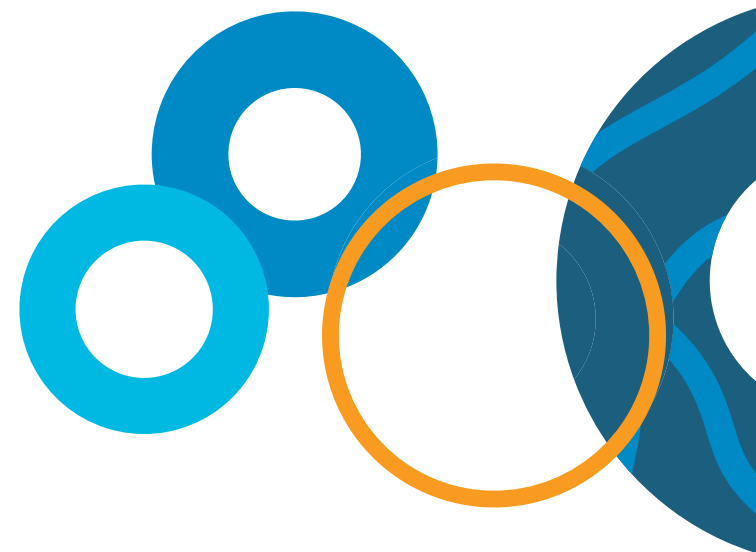
### WA Multicultural Policy Framework

The SBDC Multicultural Plan, developed with the support of the Office of Multicultural Interests, was in place for its first full year in 2021-22. The Plan aims to ensure that the SBDC takes a planned approach to identifying and creating opportunities for continuous improvement across all our services to ensure inclusivity of all people. The plan identifies a number of actions to achieve the following policy priorities by 2024:

- harmonious and inclusive communities
- culturally responsive policies, programs and services
- economic, social, cultural, civic and political participation.

### Staffing summary – as at 30 June 2022

Employee profile	2021-22
Permanent full-time	45
Permanent part-time	17
Fixed term contract	8
Total	70





# Corporate Governance

## Our people

### Workplace health, safety and injury management

The SBDC is committed to ensuring operational activities are carried out with full regard for the health, safety and welfare of employees, contractors and the public. The agency's management team supports this through participation in training programs and by communicating Work Health and Safety (WHS) matters via the intranet and at team meetings.

The SBDC takes a consultative approach and WHS is a standard agenda item at executive, divisional and all-of-agency meetings with staff encouraged to raise any issues. The agency recognises that consultation, communication and cooperation between managers and employees is essential to maintaining a safe and healthy workforce. The agency's WHS management system outlines when it is necessary to consult with employees, including:

- investigating incidents
- deciding on measures to control risks
- reviewing the effectiveness of controls
- changing work practices and procedures
- planning new work or work processes.

	Actual results		Results against target	
	2020-21	2021-22	Target	Comment on result
Number of fatalities	0	0	0	No injured workers
Lost time injury/disease (LTI/D)	0	0	0 or 10% reduction on previous year	No injured workers
Lost time injury/disease severity rate	0	0	0 or 10% reduction on previous year	No injured workers
<b>Percentage of injured workers returned to work:</b>				
(i) within 13 weeks	No injured workers	No injured workers	100%	Target met
(ii) within 26 weeks	No injured workers	No injured workers	100%	Target met
Percentage of managers trained in occupational safety, health and injury management responsibilities	100%	100%	Greater than or equal to 80%	Target exceeded

## Case Study

### JLK Artistry Goldfields

Relocating from Melbourne to Kalgoorlie gave jeweller Julianne Karavitis the opportunity to create a niche fine jewellery design business in the Goldfields mining town, while juggling the demands of motherhood.

With 18 years' experience in the luxury jewellery industry across Perth, Melbourne and the USA, Julianne had the creative know-how to follow her dream of establishing JLK Artistry with her extensive background in diamond grading and gemmology.

She said access to free business advice from the SBDC's Business Local service at the Kalgoorlie-Boulder Chamber of Commerce and Industry had been crucial to her start-up success.

"I design bespoke jewellery pieces, whether it be engagement rings or remodelling family heirlooms. In some instances, I help clients with repairs but the majority of my work is creating luxury fine jewellery," she said.

"We had moved to Kalgoorlie in December 2020, so I was looking to start my own business in a country setting and use those skills while having my two-year-old child in tow."

Julianne said as well as making use of the free business advisory service, she had participated in some of the Business Local workshops, which are also supported by the SBDC, including one on taxation.

"This sort of business support is really valuable – to have the ability to sit down and chat with someone for half an hour about local things," she said.

"They just knew all the businesses in town so well and that was so helpful for someone like me who was new to town."

Over the past year, that insight and knowledge has helped Julianne grow her business and become a valuable contributor to the Goldfields community.

In July, she donated a bespoke aquamarine and diamond pendant necklace to the Goldfields Children's Charity Ball, which was sold at auction for \$17,000. The event ultimately raised \$350,000 for sick children.



Photo: JLK Artistry

# Disclosures and legal compliance

## Independent auditor's opinion 2022

### Small Business Development Corporation

To the Parliament of Western Australia

### Report on the audit of the financial statements

#### Opinion

I have audited the financial statements of the Small Business Development Corporation (Corporation) which comprise:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Small Business Development Corporation for the year ended 30 June 2022 and the financial position at the end of that period

- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

#### Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibility of the Board for the financial statements

The Board is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions

- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Corporation.

#### Auditor's responsibilities for the audit of the financial statements

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

# Independent auditor's opinion 2021

accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## Report on the audit of controls

### Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Small Business Development Corporation. The controls exercised by the Board are those policies and procedures

established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Small Business Development Corporation are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2022.

### The Board's responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

### Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to

express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

# Independent auditor's opinion 2021

## Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

## Report on the audit of the key performance indicators

### Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Small Business Development Corporation for the year ended 30 June 2022. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Small Business

Development Corporation are relevant and appropriate to assist users to assess the Corporation's performance and fairly represent indicated performance for the year ended 30 June 2022.

### The Board's responsibility for the key performance indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

### Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key

performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

## Independent auditor's opinion 2021

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **My independence and quality control relating to the reports on controls and key performance indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Other information**

The Board is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

### **Matters relating to the electronic publication of the audited financial statements and key performance indicators**

This auditor's report relates to the financial statements and key performance indicators of the Small Business Development Corporation for the year ended 30 June 2022 included in the annual report on the Corporation's website.

The Corporation's management is responsible for the integrity of the Corporation's website. This audit does not provide assurance on the integrity of the Corporation's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.

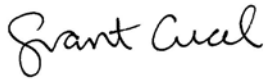


Jordan Langford-Smith  
Senior Director Financial Audit  
Delegate of the Auditor General  
for Western Australia  
Perth, Western Australia  
30 August 2022

# Key Performance Indicators

## Certification of key performance indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Small Business Development Corporation's performance, and fairly represent the performance of the Small Business Development Corporation for the financial year ended 30 June 2022.



**Grant Cucel**

Chair



**David Eaton**

Small Business Commissioner

25 August 2021

## Key Performance Indicators

The Small Business Development Corporation (Corporation) operates under the broad high level government strategic goal “WA Jobs Plan: Local manufacturing and production, creating WA jobs and training for the jobs of the future”.

To meet this goal, the Corporation’s mission is “to facilitate relevant, practical support to small businesses and advocate on their behalf”.

The desired outcome and services that link with this government goal are shown in the table below:

Government goal	Desired outcome	Services
WA Jobs Plan: Local manufacturing and production, creating WA jobs and training for the jobs of the future.	A strong and enterprising small business sector that contributes to the State’s economy through job creation and business investment.	<ol style="list-style-type: none"> <li>1. Information, guidance, referral and business development services.</li> <li>2. Access to justice for small business.</li> </ol>

In 2021-22, the Corporation achieved the desired outcome through the provision of specialised information, referral and business facilitation services for the effective development of enterprises in Western Australia (WA). This included access to justice for small businesses through the Dispute Resolution (DR) service and the Investigations and Inquiry Unit.

### Effectiveness indicators

Key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes.

The effectiveness of the Corporation in meeting its desired outcome is measured by:

- Client surveys of the following key stakeholder groups:
  - small business owners - those already operating their own business; and
  - small business starters - those planning or contemplating operating a business in the future.
- Business Migration Program - the value of net assets into the State and the number of jobs created.

# Key Performance Indicators

## Client opinions of the services provided by the Corporation

The Corporation provides a range of small business services to those in business as well as those planning on starting or buying a business. Refer to the Report on Operations for details of these services. The Corporation also provides core business facilitation services across the State through the provision of funding for the Business Local Service (BLS). The effectiveness of small business services is measured by surveys of those clients who have contacted the Corporation and the BLS during 2021-22.

The effectiveness indicators used to measure the Corporation's performance are subject to regular review and, where necessary, are refined to reflect the services delivered to key client groups.

The measures, "the extent to which the information or guidance provided was useful", and "the extent to which the information or guidance provided contributed to a decision to start or buy a business" reported below are based on two surveys conducted during 2021-22 of random samples of Corporation and BLS clients. The surveys have been carried out by an independent market research company to ensure maximum objectivity.<sup>1</sup>

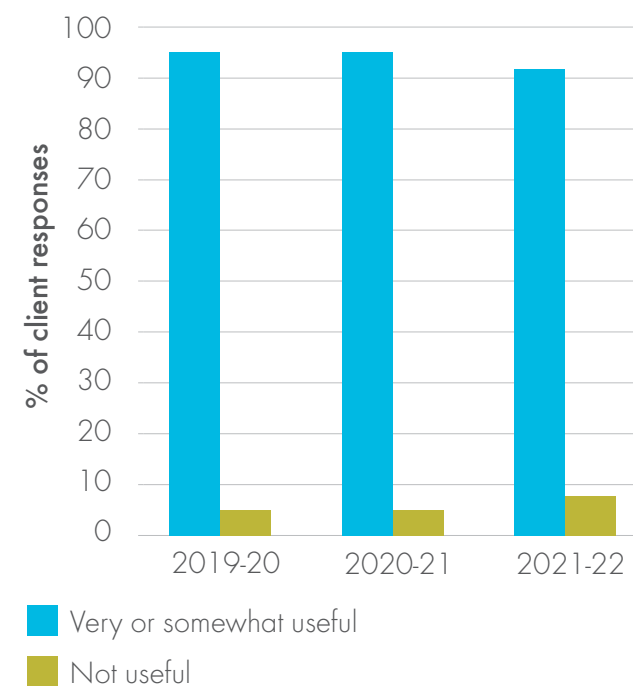
High customer satisfaction with services has been maintained over several years with the effectiveness indicators measured in 2021-22 showing no statistically significant shifts at the 95% confidence level in comparison with the previous two years.

## The extent to which the information or guidance provided was useful.<sup>1</sup>

All clients surveyed were asked - "How would you rate the usefulness of the information/guidance provided to you?"

92% of survey participants rated the information/guidance provided as useful in 2021-22 including 68% that indicated it was very useful and 24% rating it as somewhat useful. The target for 2021-22 was 95% useful rating.

Usefulness of the information/guidance provided



## Key Performance Indicators

### The extent to which the information or guidance provided contributed to a decision to start or buy a business<sup>1</sup>

All clients interviewed who were either contemplating, planning or in the process of starting or buying a business were asked – “Would you say your contact with the Corporation / BLS directly contributed to you making an informed decision about starting or buying a business?”

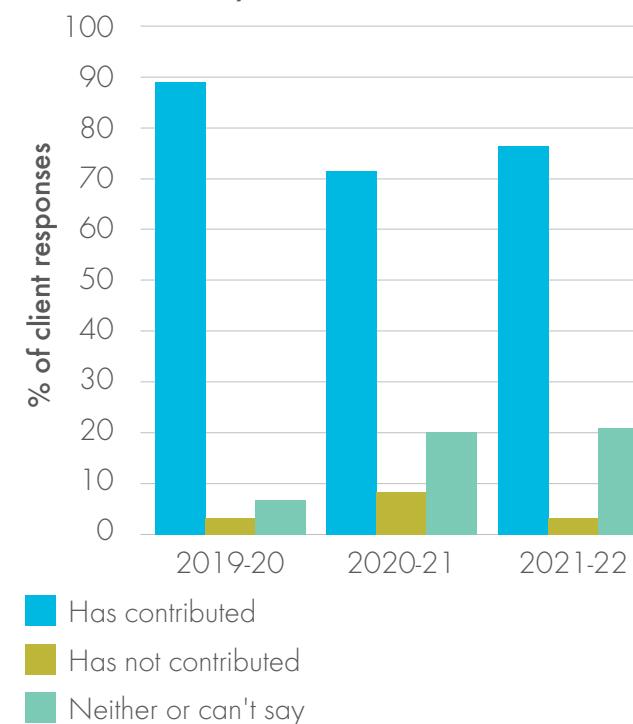
76% of respondents believed the services of the Corporation / BLS had directly contributed to their decision on whether or not to start or buy a business. The target for 2021-22 was 83%. The reduction against the 2021-22 target is largely due to continued reduced confidence brought about by the ongoing impacts of COVID 19 on small businesses generally.

<sup>1</sup>The performance evaluation for 2021-22 where clients were contacted by telephone was undertaken by Advantage Communications and Marketing. Telephone surveys were undertaken with random selections of clients who had directly sought information and guidance during 2021-22. 733 client surveys were completed to give a maximum standard error ratio of + / - 3.5% at the 95% confidence level. The overall response rate for the survey was 92.1%

#### The valid sample for each service area was as follows:

	Business owners			Business starters			Total sample		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
<b>Clients - Direct advice</b>									
Small Business Services	211	237	230	61	37	40	272	274	270
Business Information & Programs	87	77	124	121	129	80	208	206	204
Business Local Service	190	169	148	65	96	111	255	265	259
<b>Total</b>	<b>488</b>	<b>483</b>	<b>502</b>	<b>247</b>	<b>262</b>	<b>231</b>	<b>735</b>	<b>745</b>	<b>733</b>

### Information or guidance received contributed to decision to buy or start a business



# Key Performance Indicators

## Western Australian Business Migration Program

The Corporation is responsible for managing the WA Business Migration program on behalf of the State Government. This program is a key investment attraction initiative for WA, as business migrants make a significant contribution to the state's economy through investment, establishing businesses and generating export income and employment.

Confirmed and finalised economic contribution and job creation to WA by existing business migrants for 2021-22 and the previous 2 years is as follows:

Business Migration Program <sup>2</sup>	2021-22 Target <sup>3</sup>	2021-22 Actual <sup>3</sup>	2020-21 Actual	2019-20 Actual
Total value of net assets to the State from the Business Migration program	\$359M	\$231.6M	\$230.7M	\$404.2M
Number of jobs created through the Business Migration program	200	130	99	267

<sup>2</sup>Note: The reported total value of net assets to the State and number of jobs created is sourced from the final investment declared by the applicant in meeting the economic terms of their State nomination agreement.

<sup>3</sup>Note: The 2021-22 target for both total value of net assets and number of jobs created is the forecast investment into the State under the program based on results from previous periods. There is a timing difference of up to 4 years between when the business migrant nominates their proposed level of investment and when that investment is finalised. The actual result in 2021-22 for both total value of net assets and jobs created was lower than the target when the investment was finalised. This is largely due to the significant economic impact of COVID-19 on world-wide economies and continued international border restrictions reducing the movement of business migrants to WA.

# Key Performance Indicators

## Efficiency Indicators

Key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

### Service 1 - Information, guidance, referral and business development services.

The Corporation provides specialised information, referral and business facilitation services for the effective development of enterprises in Western Australia. Three efficiency indicators are measured. The results for each indicator together with the target for 2021-22 and comparatives from the previous two years are set out below:

Efficiency indicators	2021-22 Target	2021-22 Actual	2020-21 Actual	2019-20 Actual
Cost per client serviced directly by the agency <sup>4</sup>	\$31.60	\$21.25	\$22.85	\$25.51
Cost per client serviced through third party delivery <sup>5</sup>	\$153.36	\$208.36	\$144.14	\$132.24
Cost of policy development, advice and reform projects as a percentage of the total cost of service <sup>6</sup>	16.72%	15.00%	15.59%	11.64%

<sup>4</sup>Clients serviced directly include those that have contacted the Corporation for information or guidance either by a personal visit, by telephone, have attended a Corporation workshop, have visited Corporation websites for two minutes or more, have had a direct engagement through the Corporation social media (Facebook page or group, Instagram and LinkedIn), or have submitted a grant application under an approved grants scheme administered by the Corporation. The reduction in the cost against the 2021-22 target is predominately due to a significant increase in the number of client engagements and the number of business assistance grant applications received as the impacts of COVID-19 continued.

<sup>5</sup>Clients serviced through third party delivery comprise Business Local Service regional clients and metropolitan workshop clients. A client contact is the equivalent of a one hour engagement either through one-to-one service delivery or through a workshop (one-to-many). The increase in the cost against the 2020-21 result and the 2021-22 target is due mainly to a 67% decline in the number of participants in the metropolitan workshop service resulting from the ongoing impact of COVID-19 and the prevailing business conditions.

<sup>6</sup>Policy development, advice and reform projects include policy and regulatory submissions, industry liaison, advocacy, investigative research, ministerial correspondence, together with small business sector reform projects. The reduction in the cost (as a percentage of the total cost of the service) in 2021-22 against the 2021-22 target is due to lower than expected costs for the sector reform project with a change in service delivery mix to meet regional demand.

## Key Performance Indicators

### Service 2 - Access to justice for small business

The Corporation provides access to justice through the dispute resolution service and support for subcontractors. Two efficiency indicators are measured. The results for each indicator together with the target for 2021-22 and comparatives from the previous two years are set out below:

Efficiency indicators	2021-22 Target	2021-22 Actual	2020-21 Actual	2019-20 Actual
Cost per client serviced directly in the provision of dispute resolution <sup>7</sup>	\$1,217.93	\$1,453.72	\$1,117.71	\$1,211.03
Cost of subcontractor support services as a percentage of the total cost of service <sup>8</sup>	42.41%	40.85%	33.68%	41.51%

<sup>7</sup>The Dispute Resolution Service offers low cost and practical assistance to small businesses in dispute with another business or Government agency. The increased cost in 2021-22 actual compared to the 2021-22 target and 2020-21 result is largely due to increased complexity and lower volume of cases than estimated for the service.

<sup>8</sup>Subcontractor support services investigate complaints of non-payment and provide direct support to subcontractors with security of payment issues. The Small Business Commissioner's authority was expanded in April 2020 to undertake inquiries and investigations of matters that impact upon small businesses, via the Corporation's Investigations and Inquiry Unit. The increased cost in 2021-22 (as a percentage of the total cost of the service) against the 2020-21 result is mainly due to the increased workload associated with inquiries initiated by the Commissioner, as well as fraud mitigation associated with COVID-19 related business assistance grant programs.

# Financial Statements

## Certification of financial statements for the reporting period ended 30 June 2022

The accompanying financial statements of the Small Business Development Corporation have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2022 and the financial position as at 30 June 2022.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



**Grant Cucel**  
Chair



**David Eaton**  
Small Business Commissioner



**Ray Buttsworth**  
Chief Finance Officer

25 August 2022

# Financial Statements

## Statement of Comprehensive Income for the year ended 30 June 2022

	Notes	2022 \$	2021 \$
<b>Cost of services</b>			
<b>Expenses</b>			
Employee benefits expenses	2.1(a)	7,753,189	7,587,415
Supplies and services	2.2	8,647,284	7,094,004
Depreciation and amortisation expenses	4.1,4.2,4.3	138,208	144,583
Finance costs	6.2	1,742	845
Communications expenses		87,723	92,497
Maintenance expenses		9,299	12,151
Other expenses	2.2	89,949	81,660
<b>Total cost of services</b>		<b>16,727,394</b>	<b>15,013,155</b>
<b>Income</b>			
User charges and fees	3.2	192,045	384,805
Interest revenue		22,474	14,517
Other income	3.3	12,703	12,948
<b>Total income</b>		<b>227,222</b>	<b>412,270</b>
<b>Net cost of services</b>		<b>16,500,172</b>	<b>14,600,885</b>
<b>Income from State Government</b>			
Service appropriation	3.1	17,559,000	15,222,000
Income from other public sector entities	3.1	19,800	3,000
Resources received	3.1	126,848	121,027
Royalties for Regions Fund	3.1	0	180,000
<b>Total income from State Government</b>		<b>17,705,648</b>	<b>15,526,027</b>
<b>Surplus for the period</b>		<b>1,205,476</b>	<b>925,142</b>
<b>Total comprehensive income for the period</b>		<b>1,205,476</b>	<b>925,142</b>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# Financial Statements

## Statement of Financial Position

as at 30 June 2022

	Notes	2022 \$	2021 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.3	6,231,308	4,822,494
Restricted cash and cash equivalents	6.4	0	23,995
Receivables	5.1	348,789	270,803
Amounts receivable for services	5.2	60,000	60,000
Other current assets	5.3	443,049	555,968
<b>Total Current Assets</b>		<b>7,083,146</b>	<b>5,733,260</b>
<b>Non-Current Assets</b>			
Amounts receivable for services	5.2	1,045,000	937,000
Furniture, plant and equipment	4.1	209,211	287,556
Intangible assets	4.2	7,118	27,244
Right-of-use assets	4.3	29,876	23,564
<b>Total Non-Current Assets</b>		<b>1,291,205</b>	<b>1,275,364</b>
<b>Total Assets</b>		<b>8,374,351</b>	<b>7,008,624</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	5.4	641,013	582,561
Contract liabilities	5.5	21,750	3,750
Lease liabilities	6.1	9,613	5,534
Employee related provisions	2.1(b)	1,600,081	1,565,917
<b>Total Current Liabilities</b>		<b>2,272,457</b>	<b>2,157,762</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	6.1	21,860	19,023
Employee related provisions	2.1(b)	272,348	301,629
<b>Total Non-Current Liabilities</b>		<b>294,208</b>	<b>320,652</b>
<b>Total Liabilities</b>		<b>2,566,665</b>	<b>2,478,414</b>
<b>Net Assets</b>		<b>5,807,686</b>	<b>4,530,210</b>
<b>Equity</b>			
Contributed equity		1,696,885	1,624,885
Accumulated surplus		4,110,801	2,905,325
<b>Total Equity</b>		<b>5,807,686</b>	<b>4,530,210</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

Notes	Contributed equity \$	Accumulated surplus \$	Total equity \$
<b>Balance at 1 July 2020</b>	1,551,885	1,980,183	3,532,068
Surplus	0	925,142	925,142
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>925,142</b>	<b>925,142</b>
Transactions with owners in their capacity as owners:			
Capital appropriation	73,000	0	73,000
<b>Balance at 30 June 2021</b>	<b>1,624,885</b>	<b>2,905,325</b>	<b>4,530,210</b>
<b>Balance at 1 July 2021</b>	1,624,885	2,905,325	4,530,210
Surplus	0	1,205,476	1,205,476
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>1,205,476</b>	<b>1,205,476</b>
Transactions with owners in their capacity as owners:			
Capital appropriation	72,000	0	72,000
<b>Balance at 30 June 2022</b>	<b>1,696,885</b>	<b>4,110,801</b>	<b>5,807,686</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Financial Statements

## Notes to the Financial Statements

for the year ended 30 June 2022

### Cash flows from State Government

	Notes	2022 \$	2021 \$
Service appropriation		17,391,000	15,054,000
Capital appropriation		72,000	73,000
Funds from other public sector entities		20,400	4,800
Holding account drawdown		60,000	60,000
Royalties for Regions Fund		0	180,000

### Net cash provided by State Government

**17,543,400**      **15,371,800**

Utilised as follows:

### Cash flows from operating activities

#### Payments

Employee benefits	(7,684,351)	(7,439,850)
Supplies and services	(8,431,423)	(7,077,495)
Finance costs	(1,742)	(845)
Communication expenses	(90,132)	(90,915)
Maintenance expenses	(9,889)	(11,660)
GST payments on purchases	(846,132)	(727,391)
Other payments	(107,224)	(91,507)

#### Receipts

User charges and fees	210,045	360,805
Interest received	13,623	15,906
GST receipts on sales	9,043	4,759
GST receipts from taxation authority	792,054	698,015
Other receipts	26,681	20,487

### Net cash used in operating activities

**(16,119,447)**      **(14,339,691)**

### Cash flows from investing activities

#### Payments

Purchase of non-current assets	(24,096)	(271,334)
--------------------------------	----------	-----------

### Net cash used in investing activities

**(24,096)**      **(271,334)**

### Cash flows from financing activities

#### Payments

Principal elements of lease payments	(15,038)	(13,331)
--------------------------------------	----------	----------

### Net cash used in financing activities

**(15,038)**      **(13,331)**

Net increase in cash and cash equivalents

1,384,819      747,444

Cash and cash equivalents at the beginning of the period

4,846,489      4,099,045

### Cash and cash equivalents at the end of the period

6.3,6.4      **6,231,308**      **4,846,489**

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

### 1. Basis of preparation

The Small Business Development Corporation (Corporation) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Corporation is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Corporation on 25 August 2022.

#### Statement of compliance

These general purpose financial statements are prepared in accordance with:

- 1) the Financial Management Act 2006 (**FMA**)
- 2) Treasurer's instructions (**TIs**)
- 3) Australian Accounting Standards (**AASs**) - Simplified Disclosures
- 4) where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The FMA and TIs take precedence over AASs. Several AASs are modified by TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

#### Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note.

#### Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the Corporation as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### Contributed equity

Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, as designated as contributions by owners (at the time of, or prior to, transfer) be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 Contributions by Owners made to Wholly Owned Public Sector Entities and have been credited directly to Contributed Equity.

### Comparative Information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- Property, Plant and Equipment reconciliations;
- Intangible Asset reconciliations; and
- Right-of-Use Asset reconciliations.

### Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

### 2. Use of our funding

#### Expenses incurred in the delivery of services

This section provides additional information about how the Corporation's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Corporation in achieving its objectives and the relevant notes are:

	Notes	
Employee benefits expenses	2.1(a)	
Employee related provisions	2.1(b)	
Other expenditure	2.2	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>

#### 2.1(a) Employee benefits expenses

Employee benefits	7,019,032	6,901,236
Superannuation - defined contribution plans	734,157	686,179
<b>Employee benefits expenses</b>	<b>7,753,189</b>	<b>7,587,415</b>
Add: AASB 16 Non-monetary benefits (not included in employee benefits expense)	17,393	14,370
Less: Employee contributions (as per note 3.3 other income)	(10,359)	(10,918)
<b>Total employee benefits provided</b>	<b>7,760,223</b>	<b>7,590,867</b>

**Employee benefits** include wages, salaries, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits recognised under accounting standards other than AASB 16 (such as cars) for employees.

**Superannuation** is the amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, other GESB schemes or other superannuation funds.

**AASB 16 Non-monetary benefits** are non-monetary employee benefits, predominantly relating to the provision of vehicle benefits that is recognised under AASB 16 and is excluded from the employee benefits expense.

**Employee contributions** are contributions made to the Corporation by employees towards employee benefits that have been provided by the Corporation. This includes both AASB 16 and non-AASB 16 employee contributions.

# Financial Statements

## Notes to the Financial Statements

for the year ended 30 June 2022

### 2.1 (b) Employee related provisions

#### Current

##### Employee benefits provisions

	2022 \$	2021 \$
Annual leave	750,022	677,350
Long service leave	838,231	878,217
Purchased leave	3,103	1,749
	<u>1,591,356</u>	<u>1,557,316</u>

##### Other provisions

Employment on-costs	8,725	8,601
<b>Total current employee related provisions</b>	<b><u>1,600,081</u></b>	<b><u>1,565,917</u></b>

#### Non-current

##### Employee benefits provisions

Long service leave	270,878	300,000
--------------------	---------	---------

##### Other provisions

Employment on-costs	1,470	1,629
<b>Total non-current employee related provisions</b>	<b><u>272,348</u></b>	<b><u>301,629</u></b>

<b>Total employee related provisions</b>	<b><u>1,872,429</u></b>	<b><u>1,867,546</u></b>
--	-------------------------	-------------------------

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

**Annual leave liabilities** are classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

**Long service leave liabilities:** Unconditional long service leave provisions are classified as current liabilities as the Corporation does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Corporation has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave is calculated at present value as the Corporation does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement,

and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

**Purchased leave** provision relates to Public Service employees who have entered into an agreement to self-fund up to an additional 10 weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the undiscounted amounts expected to be paid when the liabilities are settled.

**Employment on-costs** involve settlements of annual and long service leave liabilities which gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, Note 2.2' and are not included as part of the Corporation's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

# Financial Statements

## Notes to the Financial Statements

for the year ended 30 June 2022

	2022 \$	2021 \$
<b><u>Employment on-cost provision</u></b>		
Carrying amount at start of period	10,230	9,549
Additional/(reversals of) provisions recognised	(35)	681
<b>Carrying amount at end of period</b>	<b>10,195</b>	<b>10,230</b>

### Key sources of estimation uncertainty – annual leave and long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Corporation's annual leave and long service leave provisions. These include:

- expected future salary rates;
- discount rates;
- employee retention rates; and
- expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the annual leave and long service leave provisions. Any gain or loss following revaluation of the present value of annual leave and long service leave liabilities is recognised as employee benefits expense.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

### 2.2 Other expenditure

#### Supplies and services

	2022 \$	2021 \$
Premises - accommodation expenses	1,298,563	1,220,567
Media, advertising and promotions	281,526	314,371
Travel and accommodation	43,488	21,143
Professional services	6,111,458	4,736,982
Sponsorships	29,745	13,155
Other services	524,114	438,434
Consumable supplies	334,395	193,347
Royalties for Region Fund payments	23,995	156,005
<b>Total supplies and services expenses</b>	<b>8,647,284</b>	<b>7,094,004</b>

#### Other expenses

Employment on-costs	(35)	681
Other employee related expenses	36,437	31,544
Audit fees	53,547	49,435
<b>Total other expenses</b>	<b>89,949</b>	<b>81,660</b>
<b>Total other expenditure</b>	<b>8,737,233</b>	<b>7,175,664</b>

**Supplies and services expenses** are recognised as an expense in the reporting period in which they are incurred.

**Employment on-costs** includes workers' compensation insurance. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 2.1 (b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

**Other employee related expenses** include staff recruitment, staff training and staff amenities.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

### 3. Our funding sources

#### How we obtain our funding

This section provides additional information about how the Corporation obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Corporation and the relevant notes are:

	Notes	
Income from State Government	3.1	
User charges and fees	3.2	
Other income	3.3	
	<b>2022</b>	<b>2021</b>
	\$	\$

#### 3.1 Income from State Government

Appropriation received during the period:

- Service appropriation	17,559,000	15,222,000
<b>Total service appropriation</b>	<b>17,559,000</b>	<b>15,222,000</b>

Income received from other public sector entities during the period:

- Workshop presentation	1,800	3,000
- Intensive case management service	18,000	0
<b>Total income from other public sector entities</b>	<b>19,800</b>	<b>3,000</b>

Resources received from other public sector entities during the period:

- Department of Justice - legal services	1,412	10,221
- State Solicitor's Office - legal services	7,347	0
- Department of Finance - Building Management and Works	118,089	110,806
<b>Total resources received</b>	<b>126,848</b>	<b>121,027</b>

Royalties for Regions Fund:

- Regional Community Services Account	0	180,000
<b>Total Royalties for Regions Fund</b>	<b>0</b>	<b>180,000</b>

**Total income from State Government**

<b>17,705,648</b>	<b>15,526,027</b>
-------------------	-------------------

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

**Service Appropriations** are recognised as income at the fair value of consideration received in the period in which the Corporation gains control of the appropriated funds. The Corporation gains control of the appropriated funds at the time those funds are deposited in the bank account or credited to the holding account held at Treasury.

**Income from other public sector entities** are recognised as income when the Corporation has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the Corporation receives the funds.

**Resources received from other public sector entities** is recognised as income equivalent to the fair value of the assets received, or the fair value of services received that can be reliably determined and which would have been purchased if not donated.

**The Regional Community Services Account** is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent fund is committed to projects and programs in WA regional areas and is recognised as income when the Corporation receives the fund.

### Summary of consolidated account appropriations For the year ended 30 June 2022

	2022 Budget	2022 Supple- mentary funding	2022 Revised budget	2022 Actual	2022 Variance
	\$	\$	\$	\$	\$
<u>Delivery of Services</u>					
Item 47 Net amount appropriated to deliver services	16,483,000	815,000	17,298,000	17,298,000	0
Amount authorised by other statutes					
- Salaries and Allowances Act 1975	261,000	0	261,000	261,000	0
<b>Total appropriations provided to deliver services</b>	<b>16,744,000</b>	<b>815,000</b>	<b>17,559,000</b>	<b>17,559,000</b>	<b>0</b>
<u>Capital</u>					
Item 122 Capital appropriations	72,000	0	72,000	72,000	0
<b>Total consolidated account appropriations</b>	<b>16,816,000</b>	<b>815,000</b>	<b>17,631,000</b>	<b>17,631,000</b>	<b>0</b>

## Financial Statements

### Notes to the Financial Statements for the year ended 30 June 2022

### 3.2 User charges and fees

	2022	2021
	\$	\$
Workshop income	34,363	19,691
Business Migration visa application fees	154,500	363,750
Fees for mediation services	3,182	1,364
<b>Total user charges and fees</b>	<b>192,045</b>	<b>384,805</b>

Revenue from workshop and mediation fees is recognised once the service has been delivered. For business migration visa application fees, revenue is recognised when the application process is finalised.

### 3.3 Other income

Employee contributions	10,359	10,918
Miscellaneous	2,344	2,030
<b>Total other income</b>	<b>12,703</b>	<b>12,948</b>

# Financial Statements

## Notes to the Financial Statements

for the year ended 30 June 2022

### 4. Key assets

This section includes information regarding the key assets the Corporation utilises to gain economic benefits or assets the Corporation utilises for economic benefit or service potential or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes
Furniture, plant and equipment	4.1
Intangible assets	4.2
Right-of-use assets	4.3

#### 4.1 Furniture, plant and equipment

Year ended 30 June 2022	Computing equipment \$	Furniture, fittings and equipment \$	Total \$
<b>1 July 2021</b>			
Gross carrying amount	364,222	268,564	632,786
Accumulated depreciation	(307,289)	(37,941)	(345,230)
<b>Carrying amount at start of period</b>	<b>56,933</b>	<b>230,623</b>	<b>287,556</b>
Additions	24,096	0	24,096
Depreciation	(48,728)	(53,713)	(102,441)
<b>Carrying amount at end of period</b>	<b>32,301</b>	<b>176,910</b>	<b>209,211</b>
Gross carrying amount	377,029	268,564	645,593
Accumulated depreciation	(344,728)	(91,654)	(436,382)

#### Initial recognition

Items of furniture, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of furniture, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

### Subsequent measurement

Subsequent to initial recognition of an asset, the historical cost model is used for the measurement of all items of furniture, plant and equipment where they are stated at historical cost less accumulated depreciation and accumulated impairment losses.

### Useful lives

All furniture, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. The estimated useful lives for the different asset classes for current and prior years are:

Computing equipment	3 to 4 years
Furniture, fittings and equipment	5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

### Impairment

Non-financial assets, including items of furniture, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit and loss.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

### 4.2 Intangible assets

Year ended 30 June 2022

1 July 2021

Gross carrying amount

Accumulated amortisation

**Carrying amount at start of period**

Amortisation expense

**Carrying amount at end of period**

Gross carrying amount

Accumulated amortisation

Computer software \$	Website development \$	Total \$
702,292	86,850	789,142
(685,707)	(76,191)	(761,898)
<b>16,585</b>	<b>10,659</b>	<b>27,244</b>
(11,138)	(8,988)	(20,126)
<b>5,447</b>	<b>1,671</b>	<b>7,118</b>
702,292	6,750	709,042
(696,845)	(5,079)	(701,924)

#### Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, the cost is their fair value at the date of acquisition.

Acquisitions of intangible assets costing \$5,000 or more are capitalised. Costs incurred below the threshold are immediately expensed directly to the Statement of Comprehensive Income.

#### Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

#### Useful lives

Amortisation of finite life intangible assets is calculated on a straight-line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Corporation have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Computer software                      3 to 4 years

Website development costs        5 years

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

### Computer Software

Software that is an integral part of the related hardware is recognised as part of the tangible asset. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

### Website development costs

Website costs are expensed when incurred unless they directly relate to the acquisition or development of an intangible asset. In this instance they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website that can be reliably measured, are capitalised to the extent that they represent probable future economic benefits.

### **Impairment of intangible assets**

Intangible assets with indefinite useful lives are tested for impairment annually or when an indication of impairment is identified. As at 30 June 2022 there were no indications of impairment to intangible assets.

The policy in connection with testing for impairment is outlined in note 4.1.

## **4.3 Right-of-use assets**

### **Year ended 30 June 2022**

	<b>Vehicles</b>
	<b>\$</b>
<b>Carrying amount at start of period</b>	23,564
Additions	21,954
Depreciation	(15,642)
<b>Net carrying amount as at end of period</b>	<b><u>29,876</u></b>

The Corporation has leases for vehicles and office accommodation.

The Corporation has also entered into a Memorandum of Understanding Agreements with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

### Initial recognition

At the commencement date of the lease, the Corporation recognises right-of-use assets and a corresponding lease liability. The right-of-use assets are measured at cost comprising of:

- the amount of the initial measurement of lease liability; and
- any lease payments made at or before the commencement date less any lease incentives received.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.1.

The Corporation has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

### Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

### Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

### 5. Other asset and liabilities

This section sets out those assets and liabilities that arose from the Corporation's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	
Receivables	5.1	
Amounts receivable for services	5.2	
Other current assets	5.3	
Payables	5.4	
Contract liabilities	5.5	
	<b>2022</b>	<b>2021</b>
	\$	\$

#### 5.1 Receivables

Trade and other debtors	33,703	5,940
Net GST recoverable	301,630	260,259
Accrued interest	13,456	4,604
<b>Total receivables at end of period</b>	<b>348,789</b>	<b>270,803</b>

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

#### 5.2 Amounts receivable for services (Holding Account)

Current	60,000	60,000
Non-current	1,045,000	937,000
<b>Total amounts receivable for services at end of period</b>	<b>1,105,000</b>	<b>997,000</b>

**Amounts receivable for services** represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

The amounts receivable for services are financial assets at amortised cost, and are not considered not impaired (i.e. there is no expected credit loss of the Holding Account).

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

### 5.3 Other current assets

Prepayments

**Total other current assets at end of period**

	2022 \$	2021 \$
Prepayments	443,049	555,968
<b>Total other current assets at end of period</b>	<b>443,049</b>	<b>555,968</b>

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

### 5.4 Payables

Trade payables

Accrued expenses

Accrued salaries

**Total payables at end of period**

Trade payables	2,692	458
Accrued expenses	440,747	476,526
Accrued salaries	197,574	105,577
<b>Total payables at end of period</b>	<b>641,013</b>	<b>582,561</b>

**Payables** are recognised at the amounts payable when the Corporation becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value as settlement is generally within 20 days.

**Accrued salaries** represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The Corporation considers the carrying amount of accrued salaries to be equivalent to its fair value.

### 5.5 Contract liabilities

Current

Business migration visa application fees

**Total contract liabilities at end of period**

Business migration visa application fees	21,750	3,750
<b>Total contract liabilities at end of period</b>	<b>21,750</b>	<b>3,750</b>

The Corporation's contract liabilities relate to business migration visa application fees received where applications have not been finalised at the end of the reporting period. Typically, the Corporation will receive consideration in advance of satisfying the performance obligation.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

### 6. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Corporation.

	Notes	
Lease liabilities	6.1	
Finance costs	6.2	
Cash and cash equivalents	6.3	
Restricted cash and cash equivalents	6.4	
Capital commitments	6.5	

	2022 \$	2021 \$
<b>6.1 Lease liabilities</b>		
Not later than one year	9,613	5,534
Later than one year and not later than five years	21,860	19,023
	<b>31,473</b>	<b>24,557</b>
Current	9,613	5,534
Non-current	21,860	19,023
	<b>31,473</b>	<b>24,557</b>

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Corporation uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Fixed lease payments are included by the Corporation as part of the present value calculation of lease liability. The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

#### Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

This section should be read in conjunction with note 4.3.

# Financial Statements

## Notes to the Financial Statements

for the year ended 30 June 2022

	2022 \$	2021 \$
<b>Lease expenses recognised in the Statement of Comprehensive Income</b>		
Lease interest expense	1,742	845
<b>Total lease expense</b>	<b>1,742</b>	<b>845</b>

### 6.2 Finance costs

Interest expense on lease liabilities	1,742	845
<b>Total finance costs expensed</b>	<b>1,742</b>	<b>845</b>

Finance cost includes the interest component of lease liability repayments.

### 6.3 Cash and cash equivalents

Cash and cash equivalents		
- Bank account	5,731,058	4,322,244
- Cash investments - investment with Department of Treasury	500,000	500,000
- Cash on hand	250	250
<b>Balance at end of period</b>	<b>6,231,308</b>	<b>4,822,494</b>

### 6.4 Restricted cash and cash equivalents

Royalties for Regions fund	0	23,995
<b>Balance at end of period</b>	<b>0</b>	<b>23,995</b>

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

### 6.5 Capital commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

Within 1 year	4,414	0
	<b>4,414</b>	<b>0</b>

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

### 7. Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the Corporation.

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2

#### 7.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2022 \$	2021 \$
<u>Financial assets</u>		
Cash and cash equivalents	6,231,308	4,822,494
Restricted cash and cash equivalents	0	23,995
Financial assets at amortised cost (a)	1,152,159	1,007,544
<b>Total financial assets</b>	<b>7,383,467</b>	<b>5,854,033</b>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	641,013	582,561
<b>Total financial liability</b>	<b>641,013</b>	<b>582,561</b>

(a) The amount of financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

#### Measurement

All financial assets and liabilities are carried without subsequent remeasurement.

#### 7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position but are disclosed and, if quantifiable, are measured at the best estimate.

No contingent assets and contingent liabilities exist as at 30 June 2022.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

### 8. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Key management personnel	8.1
Related party transactions	8.2
Remuneration of auditors	8.3

#### 8.1 Key management personnel

The Corporation has determined key management personnel to include cabinet ministers, members of the accountable authority and senior officers of the Corporation. The Corporation does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for members of the accountable authority and senior officers of the Corporation for the reporting period are presented within the following bands:

##### Compensation of members of the accountable authority

Compensation Band (\$)	2022	2021
0 - 10,000	4	2
10,001 - 20,000	4	4
20,001 - 30,000	1	1

##### Compensation of other senior officers

Compensation Band (\$)	2022	2021
50,001 - 60,000	1	0
140,001 - 150,000	1	0
150,001 - 160,000	0	1
160,001 - 170,000	1	0
170,001 - 180,000	3	3
280,001 - 290,000	1	1
	\$	\$

##### Total compensation of key management personnel

1,262,635	1,059,927
-----------	-----------

Total compensation includes the superannuation expense incurred by the Corporation in respect of members of the accountable authority and senior officers.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2022

### 8.2 Related party transactions

The Corporation is a wholly owned public sector entity that is controlled by the State of Western Australia.

Related parties of the Corporation include:

- all Cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all members of the accountable authority and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other agencies and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

#### Material transactions with related parties

Outside of normal citizen type transactions with the Corporation, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

### 8.3 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2022 \$	2021 \$
- Auditing the accounts, financial statements, controls and key performance indicators	28,000	30,000

# Financial Statements

## Notes to the Financial Statements

for the year ended 30 June 2022

### 9. Explanatory statement for controlled operations

This explanatory section explains variations in the financial performance of the Corporation undertaking transactions under its own control, as represented by the primary financial statements

All variances between annual estimates (original budget) and actual results for 2022, and between the actual results for 2022 and 2021 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the:

- Total Cost of Services for the previous year for the Statements of Comprehensive Income and Statement of Cash Flows (\$150,132); and
- Total Assets budgeted for the Statement of Financial Position (\$64,420).

#### 9.1 Statement of Comprehensive Income variances

	Variance note	Estimate 2022 \$	Actual 2022 \$	Actual 2021 \$	Variance between actual and estimate \$	Variance between actual results for 2022 and 2021 \$
<b>Cost of services</b>						
<b>Expenses</b>						
Employee benefits expense		8,016,000	7,753,189	7,587,415	(262,811)	165,774
Supplies and services	A	9,246,000	8,647,284	7,094,004	(598,716)	1,553,280
Depreciation and amortisation expense		153,000	138,208	144,583	(14,792)	(6,375)
Finance costs		3,000	1,742	845	(1,258)	897
Communications expense		134,000	87,723	92,497	(46,277)	(4,774)
Maintenance expense		100,000	9,299	12,151	(90,701)	(2,852)
Other expenses		150,000	89,949	81,660	(60,051)	8,289
<b>Total cost of services</b>		<b>17,802,000</b>	<b>16,727,394</b>	<b>15,013,155</b>	<b>(1,074,606)</b>	<b>1,714,239</b>
<b>Income</b>						
User charges and fees	B	292,000	192,045	384,805	(99,955)	(192,760)
Interest revenue		30,000	22,474	14,517	(7,526)	7,957
Other revenue		0	12,703	12,948	12,703	(245)
<b>Total income</b>		<b>322,000</b>	<b>227,222</b>	<b>412,270</b>	<b>(94,778)</b>	<b>(185,048)</b>
<b>Net cost of services</b>		<b>17,480,000</b>	<b>16,500,172</b>	<b>14,600,885</b>	<b>(979,828)</b>	<b>1,899,287</b>

# Financial Statements

## Notes to the Financial Statements

for the year ended 30 June 2022

	Variance note	Estimate 2022 \$	Actual 2022 \$	Actual 2021 \$	Variance between actual and estimate \$	Variance between actual results for 2022 and 2021 \$
<b>Income from State Government</b>						
Service appropriation	C	16,744,000	17,559,000	15,222,000	815,000	2,337,000
Income from other public sector entities		0	19,800	3,000	19,800	16,800
Resources received		190,000	126,848	121,027	(63,152)	5,821
Royalties for Regions Fund	D	0	0	180,000	0	(180,000)
<b>Total income from State Government</b>		<b>16,934,000</b>	<b>17,705,648</b>	<b>15,526,027</b>	<b>771,648</b>	<b>2,179,621</b>
<b>Surplus for the period</b>		<b>(546,000)</b>	<b>1,205,476</b>	<b>925,142</b>	<b>1,751,476</b>	<b>280,334</b>
<b>Total comprehensive income for the period</b>		<b>(546,000)</b>	<b>1,205,476</b>	<b>925,142</b>	<b>1,751,476</b>	<b>280,334</b>

### Major Estimate and Actual (2022) Variance Narratives

Nil

### Major Actual (2022) and Comparative (2021) Variance Narratives

- Supplies and services expense increased by \$1.55 million (21.9%) as a result of full year cost for the delivery of the Small Business Friendly Approvals Program plus the administration of a number of COVID-19 related business assistance grant programs.
- User charges and fees decreased by \$0.19 million (50.1%) due to reduced business migration fees resulting from the continuing economic impacts of COVID-19 on world economies and the closure of international borders.
- Service appropriation increased by \$2.34 million (15.4%) due to funding provided for the administration of a number of COVID-19 related business assistance grant programs plus additional funding for the Small Business Friendly Approvals Program.
- Royalties for Regions Fund decreased by \$0.18 million (100%) due to the finalisation of funding in 2020-21 for the Collie Tourism Readiness and Economic Stimulation project.

# Financial Statements

## Notes to the Financial Statements

for the year ended 30 June 2022

### 9.2 Statement of Financial Position Variances

	Variance note	Estimate 2022 \$	Actual 2022 \$	Actual 2021 \$	Variance between actual and estimate \$	Variance between actual results for 2022 and 2021 \$
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents		4,442,000	6,231,308	4,822,494	1,789,308	1,408,814
Restricted cash and cash equivalents		0	0	23,995	0	(23,995)
Receivables		230,000	348,789	270,803	118,789	77,986
Amounts receivable for services		60,000	60,000	60,000	0	0
Other current assets		311,000	443,049	555,968	132,049	(112,919)
<b>Total Current Assets</b>		<b>5,043,000</b>	<b>7,083,146</b>	<b>5,733,260</b>	<b>2,040,146</b>	<b>1,349,886</b>
<b>Non-Current Assets</b>						
Amounts receivable for services		1,045,000	1,045,000	937,000	0	108,000
Furniture, plant and equipment	1,E	297,000	209,211	287,556	(87,789)	(78,345)
Intangible assets		12,000	7,118	27,244	(4,882)	(20,126)
Right-of-use assets		45,000	29,876	23,564	(15,124)	6,312
<b>Total Non-Current Assets</b>		<b>1,399,000</b>	<b>1,291,205</b>	<b>1,275,364</b>	<b>(107,795)</b>	<b>15,841</b>
<b>Total Assets</b>		<b>6,442,000</b>	<b>8,374,351</b>	<b>7,008,624</b>	<b>1,932,351</b>	<b>1,365,727</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Payables		429,000	641,013	582,561	212,013	58,452
Contract liabilities		28,000	21,750	3,750	(6,250)	18,000
Lease liabilities		12,000	9,613	5,534	(2,387)	4,079
Employee related provisions	2	1,433,000	1,600,081	1,565,917	167,081	34,164
<b>Total Current Liabilities</b>		<b>1,902,000</b>	<b>2,272,457</b>	<b>2,157,762</b>	<b>370,457</b>	<b>114,695</b>

# Financial Statements

## Notes to the Financial Statements

for the year ended 30 June 2022

	Variance note	Estimate 2022 \$	Actual 2022 \$	Actual 2021 \$	Variance between actual and estimate \$	Variance between actual results for 2022 and 2021 \$
<b>Non-Current Liabilities</b>						
Lease liabilities		35,000	21,860	19,023	(13,140)	2,837
Employee related provisions		320,000	272,348	301,629	(47,652)	(29,281)
<b>Total Non-Current Liabilities</b>		<b>355,000</b>	<b>294,208</b>	<b>320,652</b>	<b>(60,792)</b>	<b>(26,444)</b>
<b>Total Liabilities</b>		<b>2,257,000</b>	<b>2,566,665</b>	<b>2,478,414</b>	<b>309,665</b>	<b>88,251</b>
<b>Net Assets</b>		<b>4,185,000</b>	<b>5,807,686</b>	<b>4,530,210</b>	<b>1,622,686</b>	<b>1,277,476</b>
<b>Equity</b>						
Contributed equity		1,697,000	1,696,885	1,624,885	(115)	72,000
Accumulated surplus		2,488,000	4,110,801	2,905,325	1,622,801	1,205,476
<b>Total Equity</b>		<b>4,185,000</b>	<b>5,807,686</b>	<b>4,530,210</b>	<b>1,622,686</b>	<b>1,277,476</b>

### Major Estimate and Actual (2022) Variance Narratives

- 1) Furniture, plant and equipment fell short of estimates by \$0.09 million (29.6%) with no major additions during the year.
- 2) Employee related provisions exceeded estimates by \$0.17 million (11.7%) with a continued reduction in staff taking leave due to the impact of COVID-19.

### Major Actual (2022) and Comparative (2021) Variance Narratives

- E) Furniture, plant and equipment decreased by \$0.08 million (27.2%) due to depreciation expense for the year and no major additions during the year.

# Financial Statements

## Notes to the Financial Statements

for the year ended 30 June 2022

### 9.3 Statement of Cash Flows Variances

	Variance note	Estimate 2022 \$	Actual 2022 \$	Actual 2021 \$	Variance between actual and estimate \$	Variance between actual results for 2022 and 2021 \$
<b>Cash flows from State Government</b>						
Service appropriation	F	16,576,000	17,391,000	15,054,000	815,000	2,337,000
Capital appropriation		72,000	72,000	73,000	0	(1,000)
Funds from other public sector entities		0	20,400	4,800	20,400	15,600
Holding account drawdown		60,000	60,000	60,000	0	0
Royalties for Regions Fund	G	0	0	180,000	0	(180,000)
<b>Net cash provided by State Government</b>		<b>16,708,000</b>	<b>17,543,400</b>	<b>15,371,800</b>	<b>835,400</b>	<b>2,171,600</b>
<b>Cash flows from operating activities</b>						
<b>Payments</b>						
Employee benefits		(7,965,000)	(7,684,351)	(7,439,850)	280,649	(244,501)
Supplies and services	H	(9,087,000)	(8,431,423)	(7,077,495)	655,577	(1,353,928)
Finance costs		(3,000)	(1,742)	(845)	1,258	(897)
Communication expense		(134,000)	(90,132)	(90,915)	43,868	783
Maintenance expense		(100,000)	(9,889)	(11,660)	90,111	1,771
GST payments on purchases	3	(680,000)	(846,132)	(727,391)	(166,132)	(118,741)
Other payments		(150,000)	(107,224)	(91,507)	42,776	(15,717)
<b>Receipts</b>						
User charges and fees	I	292,000	210,045	360,805	(81,955)	(150,760)
Interest received		30,000	13,623	15,906	(16,377)	(2,283)
GST receipts on sales		10,000	9,043	4,759	(957)	4,284
GST receipts from taxation authority		670,000	792,054	698,015	122,054	94,039
Other receipts		0	26,681	20,487	26,681	6,194
<b>Net cash used in operating activities</b>		<b>(17,117,000)</b>	<b>(16,119,447)</b>	<b>(14,339,691)</b>	<b>997,553</b>	<b>(1,779,756)</b>

# Financial Statements

## Notes to the Financial Statements

for the year ended 30 June 2022

	Variance note	Estimate 2022 \$	Actual 2022 \$	Actual 2021 \$	Variance between actual and estimate \$	Variance between actual results for 2022 and 2021 \$
<b>Cash flows from investing activities</b>						
<b>Payments</b>						
Purchase of non-current physical assets	J	(140,000)	(24,096)	(271,334)	115,904	247,238
<b>Net cash used in investing activities</b>		<b>(140,000)</b>	<b>(24,096)</b>	<b>(271,334)</b>	<b>115,904</b>	<b>247,238</b>
<b>Cash flows from financing activities</b>						
<b>Payments</b>						
Principal elements of lease payments		(12,000)	(15,038)	(13,331)	(3,038)	(1,707)
<b>Net cash used in financing activities</b>		<b>(12,000)</b>	<b>(15,038)</b>	<b>(13,331)</b>	<b>(3,038)</b>	<b>(1,707)</b>
Net decrease in cash and cash equivalents		(561,000)	1,384,819	747,444	1,945,819	637,375
Cash and cash equivalents at the beginning of period		5,003,000	4,846,489	4,099,045	(156,511)	747,444
<b>Cash and cash equivalents at the end of the period</b>		<b>4,442,000</b>	<b>6,231,308</b>	<b>4,846,489</b>	<b>1,789,308</b>	<b>1,384,819</b>

### Major Estimate and Actual (2022) Variance Narratives

- 3) GST payments on purchases exceeded estimates by \$0.17 million (24.4%) due to an increase in payments relating to the delivery of the Small Business Friendly Approvals Program plus the administration of a number of COVID-19 related business assistance grant programs.

### Major Actual (2022) and Comparative (2021) Variance Narratives

- F) Service appropriation increased by \$2.34 million (15.5%) due to funding provided for the administration of a number of COVID-19 related business assistance grant programs plus additional funding for the Small Business Friendly Approvals Program.
- G) Royalties for Regions fund decreased by \$0.18 million (100%) due to the finalisation of funding in 2020-21 for the Collie Tourism Readiness and Economic Stimulation project.
- H) Supplies and services increased by \$1.35 million (19.1%) as a result of full year cost for the delivery of the Small Business Friendly Approvals Program plus the administration of a number of COVID-19 related business assistance grant programs.
- I) User charges and fees decreased by \$0.15 million (41.8%) due to reduced business migration fees resulting from the continuing economic impacts of COVID-19 on world economies and the closure of international borders.
- J) Purchase of non-current physical assets decreased by \$0.25 million (91.1%) with no major additions during the year.

## Case Study

### Skeetas Mid West



Photo: Haley Morris, Skeetas

Skeetas is a Geraldton institution, with the family restaurant welcoming locals and visitors for 30 years. In fact, the business is transitioning into its second generation of ownership, with manager Haley Morris taking over ownership from her parents Vicki and Colin Cox.

In contrast to some WA small businesses, the COVID-19 pandemic had a beneficial impact on Skeetas, located four hours north of Perth in Geraldton's Marina district.

"Since COVID, we have been much busier. Our sales have increased 30 per cent in the last two years, but it's always a work in progress," Haley said.

"Our point of difference is we're open all day, every day... our customers always know we're here."

Despite her 20-years of experience managing the restaurant, Haley said there are always new things to learn about running a business – and when she needs business advice, she turns to Business Local.

An initiative of the SBDC, Business Local is a network of skilled business advisers throughout regional WA offering advice and business skills development. RSM Business Local in Geraldton provides the service in the Coral Coast and across the Mid West.

"Business Local has helped us with so many things – writing award submissions, looking at forecasts and previous figures, tracking sales, KPIs on upper management and developing a training plan, induction and training forms and a training matrix so we can upskill all of our staff to ensure that we are serving the customers up to our standard."

"If I have any sort of business question, I always ring David at Business Local. He's very helpful."

*"There's nothing I've come across yet that he hasn't had knowledge in."*

## Other legal requirements

### Disability Access and Inclusion Plan (DAIP) outcomes

The SBDC is committed to creating a community that is accessible and inclusive to help minimise the impacts of disability. The agency's endorsed DAIP includes initiatives focused on seven outcome areas, such that people with disability:

1. Have the same opportunities as other people to access the services of, and any events organised by, the SBDC.
2. Have the same opportunities as other people to access the SBDC's buildings and other facilities.
3. Receive information from the SBDC in a format that will enable them to access it as readily as other people.
4. Receive the same level and quality of service from the staff of the SBDC as other people.
5. Have the same opportunities as others to make complaints to the SBDC.
6. Have the same opportunities as others to participate in any public consultation by the SBDC.

7. Have the same opportunities as other people to obtain and maintain employment within the SBDC.

### Equal employment opportunity (EEO)

The SBDC has met its obligations under Section 145 (preparation and implementation of management plans) of the *Equal Opportunity Act 1984* by progressing EEO initiatives outlined in the agency's EEO Management Plan.

The three high-level outcomes relating to EEO are:

- The SBDC values EEO and diversity and the work environment is free from harassment.
- The workplace is free from employment practices that are biased or discriminate unlawfully against employees or potential employees.
- Employment programs and practices recognise and include strategies to achieve workforce diversity.

### Compliance with public sector standards and ethical codes

The SBDC has complied with Section 31 of the *Public Sector Management Act 1994* in the administration of the agency's human resource management practices relating to public sector standards and codes of ethics and conduct.

During 2021-22, the SBDC received no claims against the public sector standards and no reports of non-compliance with the WA Code of Ethics or the agency's own code of conduct.

The SBDC maintains this standard of compliance through the following measurements and initiatives:

- Quality feedback is provided to applicants as part of all recruitment processes.
- Information about Public Sector Standards is included on the SBDC intranet and covered at inductions.

### Corruption prevention

The SBDC is committed to the highest level of integrity, ethics and equity. Corruption prevention forms part of the agency's overall risk management strategy as an important element of internal control.

## Other legal requirements

Staff and Board members are regularly briefed on a range of statutory and administrative requirements relating to ethical conduct, including the requirement to declare conflicts of interest. A comprehensive induction program, the inclusion of policies on the SBDC intranet, and regular internal communications are also employed to ensure staff are aware of, and understand, their responsibilities.

### Recordkeeping plan

The SBDC's recordkeeping plan was approved by the State Records Office in December 2019. The Corporation continues to monitor its recordkeeping systems to ensure they are effective and efficient in the overall management of the information resources.

The SBDC has maintained an effective training program, with all new staff and contractors receiving comprehensive induction training detailing policies and procedures, and their recordkeeping responsibilities. Additional training materials are available from the SBDC's intranet for staff and tailored training to meet specific needs is available on request. The effectiveness of training is regularly monitored and reviewed to ensure it meets the needs of the SBDC and State Records Office.

### Unauthorised use of credit cards

There was no unauthorised use of credit cards in 2021-22.

## Case Study

### Concept Tech Great Southern

Making the decision to quit his FIFO job to help care for his young son after a bout of surgery, Jordan Wilson knew he needed to change his career goal posts to a more family-friendly earner.

But setting up Concept Tech, the IT business Jordan and his wife Natasha started, was a whole new ball game, so they called on support from the SBDC's Business Local network at the Albany Business Centre.

"Business Local really is a great jump start for any business. It gives people the best chance to jump off if they want to grow their business," Jordan said.

Accessing mentoring from advisers who had owned their own businesses and had experience in government was invaluable, especially as Jordan had come from an entirely different industry. He sought advice on tax requirements, and the best company structure going forward.

The Business Local team also educated Jordan and Natasha on how contracts and tenders worked in the Great Southern, and introduced them to local contract opportunities.

"It really did help us to understand business quicker," he said.

Concept Tech moved into their own premises from Albany Business Centre's incubator space after two years, and has now added IT consulting, cyber and data security services to their computer repair service. They help small and large businesses and home users, both in Albany and remotely across the country.

Jordan said he would advise other start-ups to take time to learn their business from the inside out as it has a flow-on effect for customers and enables small businesses to offer a better service.

"One hundred per cent, we wouldn't be where we are without the support of Business Local, the people at the Albany Business Centre and the services that they offer."

Photo: Jordan Wilson, Concept Tech

## Other legal requirements

In accordance with Section 175ZE of the *Electoral Act 1907*, set out below are details of expenditure incurred during 2021-22 in relation to:

<b>Advertising agencies:</b>		<b>\$193,082</b>
Bang Digital	\$11,625	
Wunderman Thompson	\$97,322	
Google	\$60,572	
Facebook	\$18,143	
LinkedIn	\$5,299	
Telstra	\$121	
<b>Media advertising organisations:</b>		<b>\$101,362</b>
Carat	\$101,362	
<b>Market research organisations:</b>		<b>\$119,911</b>
Advantage Communications and Marketing	\$20,246	
Painted Dog Research	\$99,665	
<b>Polling organisations</b>		<b>Nil</b>
<b>Direct mail organisations</b>		<b>Nil</b>
<b>Total expenditure for 2021-22:</b>		<b>\$414,355</b>

### Publications

The SBDC produces a wide range of publications, in hard copy and electronic format, including:

- Annual reports: Each financial year, the annual report highlights the agency's business and financial activities. Electronic (PDF) copies of previous reports are available from the SBDC website.
- Promotional publications: Outlining the SBDC's services.
- Information leaflets and guides: Providing advice and support for small business operators. They are available in hard copy or can be downloaded from the SBDC website.
- Enews: The SBDC produces a monthly newsletter that provides relevant business and SBDC updates. It is available free of charge and subscribers can sign up from the SBDC website.

## Other legal requirements

### Legislation impacting on activity

In the performance of its functions, the SBDC complies with the following legislation:

*A New Tax System (Goods and Services Tax) Act 1999 (Cth)*

*Auditor General Act 2006*

*Building and Construction Industry (Security of Payment) Act 2021*

*Business Names Act 1962*

*Business Names (Commonwealth Powers) Act 2012*

*Business Names Registration Act 2011 (Cth)*

*Copyright Act 1968 (Cth)*

*Commercial Tenancy (Retail Shops) Agreements Act 1985*

*Corporations (Western Australia) Act 1990*

*Corruption and Crime Commission Act 2003*

*Criminal Code Act Compilation Act 1913*

*Disability Services Act 1993*

*Electoral Act 1907*

*Electronic Transaction Act 2011*

*Equal Opportunity Act 1984*

*Evidence Act 1906*

*Evidence Act 1995 (Cth)*

*Financial Management Act 2006*

*Freedom of Information Act 1992*

*Fringe Benefits Tax Act 1986 (Cth)*

*Income Tax Assessment Act 1936 (Cth)*

*Income Tax Assessment Act 1997 (Cth)*

*Industrial Relations Act 1979*

*Legal Deposit Act 2012*

*Minimum Conditions of Employment Act 1993*

*Occupational Safety and Health Act 1984*

*Pay-roll Tax Act 2002*

*Pay-roll Tax Assessment Act 2002*

*Privacy Act 1988 (Cth)*

*Public and Bank Holidays Act 1972*

*Public Interest Disclosure Act 2003*

*Public Sector Management Act 1994*

*Small Business Development Corporation Act 1983*

*Small Business Development Corporation Amendment Act 2020*

*Spam Act 2003 (Cth)*

*State Records Act 2000*

*State Superannuation Act 2000*

*State Supply Commission Act 1991*

*State Trading Concerns Act 1916*

*Superannuation Guarantee (Administration) Act 1992 (Cth)*

*Taxation Administration Act 2003*

*Treasurer's Instructions 804 and 805*

*Work Health and Safety Act 2020*

*Workers' Compensation and Injury Management Act 1981*

Cth = Commonwealth Acts



*Turn to us.*



133 140



Level 2, 140 William Street, Perth WA 6000



[info@smallbusiness.wa.gov.au](mailto:info@smallbusiness.wa.gov.au)



[smallbusiness.wa.gov.au](http://smallbusiness.wa.gov.au)

